CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

THIRD SESSION—TWENTY-EIGHTH PARLIAMENT

19 Elizabeth II

VOLUME II, 1970

COMPRISING THE PERIOD FROM THE THIRTEENTH DAY OF NOVEMBER, 1970,
TO THE EIGHTEENTH DAY OF DECEMBER, 1970, INCLUSIVE

INDEX ISSUED IN A SEPARATE VOLUME

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

Available from Information Canada, Ottawa, Canada

23568—1½

USE OF COMMONS

Friday, November 13, 1970

The House met at 11 a.m.

PRIVILEGE

MR. PEPIN—ELUCIDATION OF ANSWER TO QUESTION CONCERNING RYERSON PRESS—TABLING OF CORRESPONDENCE

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, in answering a question yesterday from the hon. member for St. John's East—he was trying to help me and I am grateful to him for that—with respect to the Ryerson affair, I had meant to say only that no specific request for financial assistance had been received by me from the company. I had meant to table the correspondence which I was holding in my hand at that time, but at the last moment I saw on Dr. Brisbin's letter that it was marked "Confidential". This was when I went into a meandering account of the contents of that correspondence.

I am afraid that when I said, to quote my words as reported in *Hansard* at page 1092, that "there was no specific mention in their letter of the actual possibility that it was going to be taken over", I may have misled the House. Therefore, to avoid any confusion, now that Dr. Brisbin himself has given copies of his file, may I give copies of my file to members of the House and table the said correspondence?

Mr. Speaker: The minister is seeking the assent of the House to table certain correspondence to which he has referred. Is that agreed?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*Translation*]

ATOMIC ENERGY

STATEMENT BY MINISTER ON THE COMING INTO OPERATION OF GENTILLY NUCLEAR POWER STATION

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, it is my pleasure to report to the House an event of more than ordinary significance. This is the bringing into operation last night of the reactor at the Gentilly Nuclear Power Station, on the St. Lawrence River downstream from Trois-Rivières.

Gentilly not only is the first nuclear power station in Quebec, it is the first of its kind—a prototype. Like the other nuclear plants in operation or under construction in Canada, it uses natural uranium as fuel and heavy water as the moderator, but where the coolant in the others is pressurized heavy water, the coolant in Gentilly is boiling light, or ordinary, water.

Having in mind the many difficulties and complications that were bound to transpire, some predictable and others unforeseen, it would have been understandable had those responsible declined to make any forecast of how long it would take them to do the job. What the AECL/Hydro-Quebec team in fact did was set for itself, and publicly announce, a tight four-year schedule.

Despite technological innovations, despite a strike that halted work for five months, despite delays in deliveries of key items, despite numerous other problems, they made it. It was four years ago this past October that the first sod was turned at the site; it was on November 2 four years ago that excavation started.

At the outset, one of the primary, declared aims of the signatories was to have engineers and technologists of the province of Quebec take a leading part in the design, construction and operation of the station. This policy was observed, not just to the letter but in the spirit as well. Personnel from Hydro-Quebec and Quebec industrial firms participated in all stages of the design. Hydro-Quebec staff were trained to operate the plant. Every document and drawing pertaining to the station was produced in the two official languages. The conventional part of the station—that is, that portion outside the nuclear system—was designed by a team of Quebec consultants. Hydro-Quebec acted as prime contractor at the site, with responsibility for station construction.

The result of all this has been the establishment in Quebec of a solid body of knowledge, experience and skill upon which to draw and build when the time comes to commit nuclear power stations of commercial size in the province.

I should like to close these remarks, Mr. Speaker, by extending congratulations to all those who had a part in the Gentilly project. I congratulate them for their magnificent achievement and for bearing testimony to the fact that the barriers and frontiers so much talked about these days do not stop men of good will from co-operating in a constructive way. Nuclear science is alive and well in the province of Quebec.

• (11:10 a.m.)

[*English*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to join very briefly with the minister in commending those who are jointly responsible for this venture and innovation in connection with the development of power through this means. I am particularly glad

that at this time the minister is able to announce that this development is taking place in the province of Quebec. After listening to his comments about the problems which have been experienced may I say it is most commendable that they were able to surmount them. I hope that other developments will follow which will provide some means of utilizing the power to be generated at this plant.

Finally, I trust that the difficulties we have been experiencing in this country in the last few weeks will not blind the government to the necessity of providing other sources of jobs for the people of the province of Quebec particularly and in the country as a whole. The difficulties we will be facing this winter certainly justify the government turning its attention to the development of a program along the lines of some of the proposals made during the course of the debate yesterday.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I too should like to extend my congratulations and best wishes to Hydro-Quebec and Atomic Energy of Canada. I visited the Gentilly plant just a few weeks ago and was quite impressed with the possibilities of this new style, if you will, of producing atomic energy. The fact that we have been able to produce something different from what is being produced in any other country in the world points up more than ever the necessity for much more research if we would remain ahead in this field.

To be quite frank, if I were a customer for a heavy water or atomic energy plant I would be inclined to wait until this type of plant has been tried out because it has an advantage, as indicated by the minister, in terms of lower capital cost. It also saves a considerable amount in regard to heavy water and heat exchangers, and should also mean lower operating costs for heavy water atomic energy plants.

As indicated by others, this type of plant, particularly if sold in quantity to nations abroad, will provide jobs at a highly technical level for Canadians. I should like to suggest to the Minister of Energy, Mines and Resources and the Minister of Industry, Trade and Commerce that they get busy and go out and sell some of these plants.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I do feel the engineers and staff of Hydro-Quebec, and those of Atomic Energy of Canada Limited should be congratulated on their recent achievement in Gentilly.

Engineers and workers of Quebec have already demonstrated their skill in a very similar field, the construction of dams and electric plants in Manicouagan. The experience they have acquired in building an atomic plant in Gentilly justifies great expectations for the future of that industry in Quebec.

That is a striking example of cooperation between two levels of government and it is to be hoped that natural uranium will serve more and more for peace-time purposes and less and less for war-time industries.

Mr. Speaker, as the Minister of Energy, Mines and Resources said, this is a new venture with regard to the generation of electric energy. We have every reason to believe it will be successful and will be repeated more and more often, since it will permit the development of this type of plant at a lower cost.

* * *

[*English*]

CRIMINAL CODE

AMENDMENT RESPECTING DISCHARGE OF NOXIOUS MATTER INTO INTERPROVINCIAL OR INTERNATIONAL WATERS

Mr. David Anderson (Esquimalt-Saanich) moved for leave to introduce Bill C-189, to amend the Criminal Code (Pollution).

Some hon. Members: Explain.

Mr. Anderson: Mr. Speaker, this proposed amendment to the Criminal Code is very simple. It would make it an offence to pollute an interprovincial or international stream or river and thus make pollution which does not affect fish preventable by the same type of penalties as are found under the Fisheries Act where fish are affected.

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

* * *

ANTI-DUMPING ACT

AMENDMENT RESPECTING TRIBUNAL, INQUIRIES, REPORTS, ETC.

Hon. Donald S. Macdonald (for the Minister of Finance) moved the first reading of Bill S-6 (from the Senate), to amend the Anti-dumping Act.

Motion agreed to and bill read the first time.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

CONSULTATIONS WITH PROVINCES ON METHODS OF STIMULATING EMPLOYMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance who is not present. I can only point out that neither the Prime Minister nor any minister responsible in the areas of principal concern today—the economy, unemployment, the War Measures Act and related questions—is present today. I want to make it very clear that I understand the absence of the Solicitor General, but in his absence perhaps the Minister of Justice might have been present. I assume there is some explanation for the absence of the Prime Minister as well as these other ministers, and I hope it will be given. However, so far as I am concerned I cannot proceed with any questions today.

Mr. Gray: Mr. Speaker, I rise on a question of privilege. With respect to the reference by the Leader of the Opposition to the attendance of the Minister of Finance, I should like to say that I am here also in my capacity as Acting Minister of Finance and the Parliamentary Secretary to the Minister of Finance is present as well and we are available to answer questions.

Mr. Stanfield: I am delighted, Mr. Speaker. Can the Acting Minister of Finance tell the House whether it is proposed immediately or very soon to have a meeting with provincial representatives to consider ways in which the federal government and the provinces can co-operate in stimulating employment this winter?

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, a meeting of finance ministers is scheduled for December 7 and 8 and I would expect that matter might be on the agenda.

Mr. Stanfield: Am I to understand there have not been to date and are not now under way any systematic consultations with the provinces to canvass possible methods of stimulating employment this winter? Am I to assume that from what the Parliamentary Secretary said?

Mr. Speaker: I think that the question as asked is certainly argumentative in form. When the Leader of the Opposition asks whether he can assume a conclusion from the answer given by the Parliamentary Secretary, I would think the question is not in order in those terms. Perhaps the Leader of the Opposition might rephrase the question.

Mr. Stanfield: Mr. Speaker, are there any systematic consultations under way at present with the provinces to canvass possible methods of stimulating employment this winter through co-operation?

Hon. Arthur Laing (Acting Prime Minister): I must say I was a little surprised at the prelude to the question asked today by the Leader of the Opposition in the matter of unemployment. I want to assure him that the government is fully conscious of the levels of unemployment and fully aware of the necessity of effecting plans and policies that will encourage employment. These are being studied today and have been studied for weeks. It is anticipated that announcements will be made shortly which will have the effect of stimulating employment—

Mr. Ricard: We have been told that for years.

An hon. Member: You don't mean "stimulating", you mean "simulating".

Mr. Laing: —in the field which is the total responsibility of the government and encouraging it in the private sector.

Some hon. Members: Hear, hear!

Mr. Stanfield: I appreciate the statement by the Minister of Public Works but I wonder if it would be too much for either the Minister of Public Works or the Parliamentary Secretary to answer the question I asked, namely, whether there are under way now any systematic consultations with the provinces with regard to possible methods of stimulating employment?

Mr. Mahoney: I will take that question as notice.

Some hon. Members: Oh, oh!

Mr. Woolliams: I rise on a point of order, Mr. Speaker. There may be a very good reason—I would like to hear it and I think the House would—for the absence of so many ministers and of the Prime Minister today. We do not know who the acting prime minister is and we do not know why these ministers are not here today. Surely we could have that settled. It seems such a waste of time to ask questions in this institution at this time with nobody to answer them. I see Your Honour is getting a little uneasy, but may I point out with the greatest respect that I think it is very important to settle this matter if Parliament is to live at all. There may be a good reason for their absence. If that reason is given to the opposition I am sure we will listen to it and give it the kind of hearing that it deserves, but surely we are entitled to hear it.

Mr. Macdonald (Rosedale): Perhaps I could indicate on the point of order that there may well have been a very good reason for the absence for two days this week of the Leader of the Opposition. This is only his second day here this week.

An hon. Member: He does not have to answer to the House.

An hon. Member: He is not the Prime Minister.

Mr. Speaker: I do not think there should be a debate on the point. I would think the point of order raised by the hon. member for Calgary North is a valid one—

Some hon. Members: Hear, hear.

Mr. Speaker: —but at the same time I do not think it should give rise to a debate.

Mr. Lewis: Mr. Speaker, I should like to speak to the point of order. I do not think that the point raised by the Leader of the Opposition and the hon. member for Calgary North is an irrelevant one and I think that the kind of answer which the Minister of National Defence gave is irrelevant. I suggest that we should know the reason why the Prime Minister, the Minister of Finance and the President of the Treasury Board, who were due to be here today, are not here. There may well be good reasons for it but we should know them. I had questions for the Prime Minister and the Minister of Finance. I do not intend to ask a question just to hear a Parliamentary Secretary tell me he will take notice of it. I certainly would not have an answer to the question. I think we should have an explanation from the Acting Prime Minister, who I imagine is the Minister of Public Works, as to why these leaders of the government are not here today when they are due to be here.

Mr. Laing: Mr. Speaker, speaking to the matter raised, I want to assure the House that we will endeavour to conduct the House today just as on any ordinary day.

Some hon. Members: Oh, oh!

Mr. Orlikow: That's the trouble.

Mr. Laing: The laughter engendered on the other side is all part of an act that is being put on today.

Some hon. Members: Hear, hear!

Mr. Laing: I want to renew the statement made to the opposite side of the House that today I have the honour of being Acting Prime Minister.

Some hon. Members: Hear, hear!

Mr. Laing: There are a number of ministers away today, all for very good reasons, and all of them, with the exception of one, on government business. However, there are ministers here in every case acting for them, or their Parliamentary Secretaries, who are prepared to answer any question which the Leader of the Opposition or any other member on the other side of the House is prepared to ask today. We are waiting for questions.

Some hon. Members: Oh, oh!

Mr. Laing: And we are not going to be satisfied by a statement from the other side to the effect that because the people are not here today that they wanted to ask the questions of—

Mr. Speaker: Order, please.

Mr. Stanfield: Very briefly, Mr. Speaker, I take exception to the statement of the Acting Prime Minister that somebody is putting on an act on this side of the House.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order. The Leader of the Opposition has the floor.

Mr. Stanfield: Mr. Speaker, I think the members of the opposition are quite entitled to express surprise and disappointment, and to seek an explanation when this number of ministers, including the Prime Minister, are not here. While the Acting Prime Minister says they are ready to answer questions, it is very obvious from the two questions I asked that they are not in fact ready or capable of answering questions.

Mr. Speaker: The hon. member for Wellington.

Mr. Hales: My supplementary is to a minister who is not here so I do not think I will ask it. I will pass.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a supplementary to the Acting Prime Minister in his capacity as Minister of Public Works. What specific plans do the government and his department have to help the 69,000 people who were unemployed last month in his province of British Columbia, an increase of 50 per cent over the same month last year?

Mr. Speaker: Order. The hon. member knows that what he is requesting now is a statement of a general nature. I would not think that the question in those terms is acceptable—

Mr. Korchinski: Mr. Speaker—

Mr. Speaker: Order, please. I will recognize the hon. member for Mackenzie in a moment since he appears to have a supplementary question, but I would think it would not be in order if members representing different provinces stood in their places, one after another, and asked for a statement on the situations in their respective provinces. I have some doubts whether this would be proper procedure, and so in this light I would think the question as asked is not in order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, on the point of order—

Mr. Speaker: The hon. member for Winnipeg North Centre rises on the point of order that has been under discussion. The Chair has returned to the question period, but if the hon. member has another point of order I will recognize him now.

Mr. Knowles (Winnipeg North Centre): Arising out of the discussion and of the whole situation, Mr. Speaker, I move, seconded by the hon. member for Comox-Alberni, that the House now proceed to orders of the day.

Mr. Speaker: Order, please. It has been moved by Mr. Knowles (Winnipeg North Centre) that the House now proceed to orders of the day. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: No, no.

Mr. Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. Knowles, Winnipeg North Centre) which was negatived on the following division:

Division

• (11:40 a.m.)

YEAS

Messrs:

Alexander
Alkenbrack
Baldwin
Barnett
Bell
Broadbent
Carter
Comeau
Danforth
Dionne
Forrestall
Gilbert
Gleave
Godin
Hales
Harkness
Howard (Skeena)
Howe
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Edmonton West)
Laprise
Lewis
Lundrigan
MacInnis (Mrs.)
MacLean
MacRae
McCleave
McCutcheon
McGrath
Muir
Marshall
Mather
Nesbitt
Orlikow
Paproski
Ricard
Saltsman
Stanfield
Tétrault
Thomson (Battleford-Kindersley)
Woolliams—42.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Blouin
Boulanger
Caccia
Cafik
Chrétien
Clermont
Corbin
Côté (Longueuil)
Crossman
Cullen
Danson
Davis
Dubé
Faulkner
Forget
Francis
Gendron
Gibson
Gillespie
Gray
Greene
Haidasz
Hellyer
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Lachance
Laing (Vancouver South)
Laniel
LeBlanc (Rimouski)
Lessard (Lac-Saint-Jean)
Loiselle
Macdonald (Rosedale)
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Noël
O'Connell
Orange
Ouellet
Penner
Pepin
Perrault
Pilon
Prud'homme
Reid
Richard
Rochon
Serré
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
Thomas (Maisonneuve-Rosemont)
Trudel
Turner (Ottawa-Carleton)
Wahn
Weatherhead
Whelan
Whiting—79.

Inquiries of the Ministry

Mr. Speaker: The House will now revert to the question period.

Mr. Cafik: On a question of privilege, Mr. Speaker, I feel an attempt has been made to deny me my rights as a member of the House of Commons by the assumption on the part of the opposition that they alone have the right to ask questions in this chamber.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Bell: Who is stopping you?

An hon. Member: Go ahead. Ask one.

Mr. Cafik: Mr. Speaker, I believe I have the right to be heard, even though the opposition may not feel the same way. In my opinion the motion we have just defeated is typical of the arrogance which the opposition consistently shows—

Mr. Speaker: Order. The hon. member claimed to be rising on a question of privilege. He should state his question of privilege. He has no right to reflect on a vote.

Mr. Cafik: Thank you, Mr. Speaker. My question of privilege is this: I had intended to ask questions in this House, as did many of my hon. friends on this side—

Some hon. Members: Go ahead.

Mr. Cafik: —and I feel an attempt has been made to deny me my rights as a Member of the House of Commons.

Mr. Speaker: Order. I am not sure that the hon. member's question of privilege requires a ruling. At any rate, he will have heard that we have returned to the question period, and he is free to ask a question now.

* * *

TRANSPORT

USE OF RAIL BEDS FOR PRIVATE COMMUTER SERVICES

Mr. Norman A. Cafik (Ontario): I should like to direct a question to the Minister of Transport. On June 3 I wrote a letter to the minister requesting certain action by the department with respect to commuter transport in metropolitan areas of Canada, particularly in Toronto—

Some hon. Members: Order paper.

Mr. Cafik: What action has been taken, or what action does the department intend to take, to make available rail beds for private commuter transport services—

Some hon. Members: Oh, oh!

Mr. Speaker: Order. The hon. member has the floor for the purpose of asking a question. If he were to be denied that right it seems to me he might then have a valid question of privilege. In any event, the question has now been asked, and perhaps the minister wishes to reply.

Inquiries of the Ministry

Hon. Donald C. Jamieson (Minister of Transport): Because of the furor which has been going on I am not sure whether I should answer the hon. member or some of the comments from the other side. They got mixed up and I did not hear the question.

Mr. Speaker: I would think that if the minister did not hear the question the hon. member should repeat it briefly—or what is left of the question period will be taken up by the hon. member's repeated question.

Mr. Cafik: Mr. Speaker, my question specifically was: What action has been taken, or is intended to be taken, by the Department of Transport in connection with making available rail beds for commuter transport purposes, either by passing legislation or proposing amending legislation?

Mr. Speaker: Order. My understanding is that the hon. member's question asks whether legislation will be introduced, and in those terms the question is acceptable.

An hon. Member: A supplementary question—

Hon. Donald C. Jamieson (Minister of Transport): May I answer the first question first. All this discloses is that the suggestion which occasionally comes from the other side that these questions are planted is clearly not true; otherwise, I would have a better answer for the hon. member. I can only say that we have had discussions with both the province of Ontario and Canadian National. The question really revolves around whether or not a private line of the kind to which the hon. member refers can in fact be assigned the running rights of a common carrier. I will try to get a more explicit answer for the hon. member later.

TORONTO METRO TRANSPORTATION CENTRE

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, may I ask the Minister of Transport whether he can inform the House what is delaying the development of the Toronto metro transportation centre.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, could we go back to the time before the motion when the other side was asking questions!

Some hon. Members: Oh, oh!

Mr. Jamieson: Obviously, the competence and incisiveness of the members on this side is far superior. The metro centre really involves a great many private enterprise organizations and the government's role in the centre is essentially peripheral, if I understand it correctly. We are now having negotiations with Canadian National and Canadian Pacific. I believe a group from Canadian National is in Toronto this weekend and is carrying on negotiations with various parties.

* * *

UNITED NATIONS

CANADIAN POSITION ON ADMISSION OF PEOPLE'S REPUBLIC OF CHINA

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for the Acting Secretary of State for External Affairs or his Parliamentary Secretary. Considering that today the government of Canada was to make a statement at the United Nations with respect to the China question, I wonder whether the Acting Minister or the Parliamentary Secretary can inform the House what position the government will take on the China question?

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I am happy to indicate to the House that Ambassador Beaulne has been speaking in the general debate today, and has expressed the view that Canada will vote in favour of the seating of the representatives of the People's Republic of China in the United Nations. In expressing this view he said it is clear that if, in our judgment, continued support of this important resolution could in the future frustrate the will of the General Assembly, the Canadian government will then change its position on the resolution.

* * *

INDUSTRY

PHILIPS ELECTRONICS—EFFECT OF LOSS OF CAR RADIO CONTRACT

Mr. Hubert Badanai (Fort William): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Is the government aware that Philips Electronics Industries Limited have lost a multi-million dollar contract for car radios with the Chrysler Corporation, which could result in the closing of the company's car radio division?

Mr. Speaker: Order, please. The hon. member will realize that it is not in order simply to ask whether the minister is aware or is not aware of a particular situation. That, in itself, is not a complete question and it cannot be put in those terms.

Mr. Badanai: Then may I rephrase the question, Mr. Speaker. Has the minister any plans to keep this industry going and prevent its closing?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker, we are aware that Chrysler has given this contract to Motorola of the United States. However, my department, in its usual capacity of defender of the common good, has been in touch with the companies involved and Chrysler has agreed to give a part of the contract to Philips in order to help that company adapt to the new situation. My officers also had conversations with Motorola of the United States, and they have assured us they will do all that is possible to place contracts with the Canadian branch of Motorola in Midland, Ontario. It is even possible that some industrial development might be generated from these events.

[*Translation*]

LABOUR CONDITIONS

MONTREAL—LAYOFF OF NORTHERN ELECTRIC EMPLOYEES

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce.

Could he tell the House if it is true that 6,500 employees of Northern Electric in Montreal will be losing their jobs?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, there was, in fact, an article—

Mr. Speaker: Order. The hon. member knows that he cannot ask a question in that form. He is asking the minister to deny or to confirm a report, and, in that form, the question is not in order.

Mr. Prud'homme: Mr. Speaker, I have a supplementary.

First of all, I would like to express the joy felt by the government members upon realizing that the opposition has decided to boycott the question period, as this gives us—

Mr. Speaker: Order, please. The hon. member does not have the floor to express his joy, but to ask a question.

Mr. Prud'homme: Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce.

Could he tell the House if the government intends to take measures concerning the announcement that 6,500 employees of Northern Electric will be out of work by Christmas?

Mr. Pepin: Mr. Speaker, I read this report in *The Gazette* this morning and, as usual, I immediately looked into the matter. This is the situation at the present time: The Northern Electric Company and its employees signed a contract whereby the company must, in the case of a temporary work stoppage, give its employees a 30-day notice, and this is what happened yesterday. The reason for this is the fact that a strike is in progress in one of the company's plant at Bramalea, Ontario. This strike has been going on for some time now. It may be that on account of that, some spare parts may not be available at the Montreal plant, thus bringing about temporary layoffs. Everyone hopes for an early settlement of the strike at Bramalea which would prevent the layoffs.

* * *

TRANSPORT

OTTAWA—BUS SERVICE TO RAILWAY STATION

Mr. Georges-C. Lachance (Lafontaine): Mr. Speaker, I have a question I want to direct to the Minister of Transport.

Would he tell this House whether it would be possible to operate a bus service between downtown Ottawa and the railway station? In my opinion, this is a serious matter—

Mr. Speaker: Order. The hon. member is not allowed to deliver a speech at this point but he may ask a question.

Mr. Lachance: This is my question, Mr. Speaker.

I would like to know whether the Minister of Transport is planning to take the necessary action towards the operation of a bus service between downtown Ottawa and Ottawa Union Station?

Mr. Speaker: This question ought to be placed on the order paper.

* * *

[*English*]

NATIONAL CAPITAL REGION

GOVERNMENT POLICY ON ESTABLISHMENT OF FEDERAL DISTRICT

Mr. Lloyd Francis (Ottawa West): I have a question for the Minister without Portfolio responsible for housing. When the chairman of the National Capital Commission states publicly that, in his opinion, a federal district is inevitable, is he speaking for the government and expressing government policy?

Mr. Speaker: Order, please. The hon. member knows very well that a question cannot be asked in those terms. A question can be asked about statements made outside the House by cabinet ministers, but not by public servants.

Mr. Francis: Then, may I ask the minister whether it is the policy of the government to establish a federal district in the national capital region.

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, it is not government policy to establish a federal district in the national capital region, and the chairman was expressing his own opinion.

* * *

NATURAL RESOURCES

CONTRIBUTION TO COST OF RECREATION LAND ACQUIRED BY METRO TORONTO AND REGION CONSERVATION AUTHORITY

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, this question is for the Minister of Energy, Mines and Resources. Has the government reconsidered its recent decision to refuse to contribute to the cost of recreation land acquired under a shared cost program by the Metro Toronto and region conservation authority?

Some hon. Members: Oh, oh!

Inquiries of the Ministry

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I share with the Minister of Transport the thought that it will be a very happy day for the frontbenchers on this side when we revert to the normal procedure.

This is a matter that is under advisement. Of course, we are bound by the legislation and cannot specifically share in the cost of recreation land, but we are studying methods of assuring that no recreation land has to be disposed of by the Metropolitan Toronto conservation authority, so that the attractiveness of the entire scheme may be maintained.

Mr. Kaplan: Will the minister advise the House when the government may be in a position to make an announcement on this subject?

Some hon. Members: Soon, soon.

Mr. Greene: In the near future.

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AIRPORTS

MANAGEMENT OF FACILITIES OPERATED BY CITIES

Mr. Gaétan-J. Serré (Nickel Belt): Mr. Speaker, my question is for the Minister of Transport. Is it the policy of the Department of Transport to take over management of city operated airports where the city does not have the proper resources to provide adequate facilities for the travelling public?

Some hon. Members: Order!

Mr. Speaker: Order, please. I thank hon. members for their assistance.

Some hon. Members: Hear, hear!

Mr. Speaker: I, too, will say "order". I suggest to the hon. member he is inviting a statement of policy and in those terms his question is not in order.

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TRANSPORT

ATLANTIC PROVINCES—CONTINUATION OF CABINET COMMITTEE

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): Mr. Speaker, my question is for the Minister of Transport. Has he received any indication from the new Atlantic provinces' governments that they intend to follow in the steps of the previous governments by maintaining the Atlantic provinces cabinet committee on transportation for continued co-operation with the federal government—

Some hon. Members: Order, order!

Mr. Corbin: —in an honest and serious effort to solve that regions perennial transportation problems?

[Mr. Kaplan.]

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, before answering the question may I welcome hon. members of the opposition to the Liberal caucus.

Some hon. Members: Oh, oh!

Mr. Jamieson: The answer is that I have already had communications with the new premier of the province of Nova Scotia. Of course, the new premier of New Brunswick was sworn in only yesterday and there have not been opportunities for that kind of consultation. I have every reason to believe that both governments will agree to maintaining the committee to which the hon. member refers.

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AIRPORTS

VANCOUVER—CONSTRUCTION OF NEW BRIDGE

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I have a question for the Minister of Transport.

Some hon. Members: Oh, oh!

Mr. Marchand (Kamloops-Cariboo): It is an easy one to answer. Can the minister advise the House when construction will begin on the new bridge to the Vancouver International airport?

Mr. Speaker: Order, please. I have some doubts, even if the question is easy, whether the minister should be allowed to reply, as I am really not aware of the urgency of the matter. If there is urgency, I should think the question might be considered at the time of adjournment.

An hon. Member: At ten o'clock.

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FINANCE

POLICIES TO ASSIST PULP AND PAPER INDUSTRY TO COMPETE MORE EFFECTIVELY AND REDUCE POLLUTION

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, my question is for the Acting Minister of Finance. Can he indicate to the House whether new policies will shortly be announced designed to assist the pulp and paper industry to compete more effectively in the international market, while at the same time helping it to abate its pollution problem here in Canada?

Mr. Speaker: Order, please. The question is acceptable only to the extent that the hon. member is inviting the minister to indicate whether a statement will be made.

Hon. Herb Gray (Acting Minister of Finance): I am not in a position to give such an indication at the present time, Mr. Speaker.

NATIONAL SECURITY

WAR MEASURES ACT—ARRESTS, RELEASES, CONTINUING DETENTIONS AND CHARGES

Mr. Rud L. Whiting (Halton): Mr. Speaker, I should like to ask the Minister of Justice whether he can give the House up to date figures on those people arrested and charged under the War Measures Act, as well as those released, in the province of Quebec?

Some hon. Members: Hear, hear!

Hon. John N. Turner (Minister of Justice): I would suggest, Mr. Speaker, that we had better move the hon. member back to the right side of the House.

An hon. Member: You are not supposed to be here today.

Some hon. Members: Oh, oh!

An hon. Member: You haven't read the roster.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I am neither here nor not here. I am waiting for the debate to begin on a very important bill and I am looking forward to that.

As of 8:30 this morning the figures were: Arrested, 447; released, 383; detained, 64, and rearrested, 1. Of the 64 detained, 41 were previously charged with 63 offences, 19 under the Criminal Code and 14 under the War Measures Act regulations. Of the 23 remaining, six are under coroner's warrant, three are charged under Section 62 of the Criminal Code and Section 4(a) of the War Measures Act regulations, one charged under Section 4(d) of the War Measures Act regulations and one under Section 4(a) and 4(d) of the War Measures Act regulations. There are 12 cases under study.

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CANADIAN NATIONAL RAILWAYS

RETIRED EMPLOYEES' PENSIONS—ACTION TO IMPLEMENT COMMITTEE RECOMMENDATION FOR INCREASE

Mr. Warren Allmand (Notre-Dame-de-Grâce): I have a question for the Minister of Transport. In view of the fact that this week the government tabled a bill dealing with CNR financing, I should like to ask the government whether it has approached the Canadian National Railways regarding the report of the transport committee on CNR pensions, and whether the CNR will take any steps to revise its pension program before we discuss the bill that was tabled this week?

Hon. Donald C. Jamieson (Minister of Transport): I have answered this question on previous occasions, Mr. Speaker. The decision of the transport committee, and the concurrence in that decision by the House were conveyed formally to the officials of the CNR. Of course, the matter is now being considered by them.

Inquiries of the Ministry

HOUSING

INVESTMENT OF PENSION FUNDS IN RESIDENTIAL MORTGAGES

Mr. Keith Hymmen (Kitchener): Mr. Speaker, I have a question for the minister responsible for housing. Can he advise the House whether meetings have been held or will be arranged with investment people and pension fund administrations with regard to the financing of housing programs?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, in my remarks during the throne speech debate I indicated that such a meeting was being planned. I can indicate to the House now that the date has been set for December 8. We have issued invitations to those charged with administering investment portfolios of major pension funds from across the country to meet with me and some of my colleagues in Ottawa on that date for the purpose of enticing them into further investment of their funds in residential mortgages.

Some hon. Members: Hear, hear!

Mr. Hymmen: I have a supplementary question. I should like to ask the minister whether further meetings are being planned with the approved lenders, the banks and trust companies, to stimulate the flow of mortgage money.

Mr. Andras: Yes, Mr. Speaker, I did meet with financial institutions, the banks, trust and insurance companies, a month or so ago, and we have scheduled another meeting which will probably take place early in January.

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NORTHERN AFFAIRS

EFFECT OF GAS WELL BLOWOUT ON PANARCTIC DRILLING PROGRAM AND ECOLOGY—SAFETY MEASURES

Mr. R. J. Orange (Northwest Territories): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Can the minister say whether he has any information in respect of the situation surrounding the gas well blowout on King Christian Island? Has the blowout been capped and, if not, what steps are being taken to cap it?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the blowout on King Christian Island should not have any harmful effect on future drilling by Panarctic Oil. We have some consultants in the field now trying to find ways and means of stopping the blowout. I must advise that we are very happy because this is a very large discovery of gas. This is further proof that the policy of the government in the north is a good one.

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, I wonder whether the Minister of Indian Affairs and Northern Development or the Minister of Energy, Mines and Resources has any information that Panarctic Oils

Limited, in which this government has a substantial share, did not follow the prescribed drilling practices in its activities on King Christian Island where this gas fire is now taking place?

Mr. Chrétien: Mr. Speaker, I can only say to the House that the drilling program was a good one, but there was an error made by the drilling crew on the spot. They had been instructed to stop drilling at 1,800 feet. They did not stop and that is why we had this blowout. The two people who made that error and did not follow the instructions have been fired.

Mr. Anderson: I have a supplementary—

Mr. Speaker: Order, please. I must bring to the attention of hon. members the fact that there are only a few minutes left before the end of the question period. The hon. member for Kenora-Rainy River.

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NATIONAL PARKS

PROPOSAL THAT QUETICO PROVINCIAL PARK BE TAKEN OVER

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, the Minister for Indian Affairs and Northern Development answered the last question so well I wish to put another question to him. Would the minister be prepared to enter into negotiations with the province of Ontario with a view to taking over Quetico Provincial Park for the purpose of making it a wilderness national park?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I would be very happy, if we can come to terms with the Ontario government, to establish more national parks in Ontario. I think the suggestion of the hon. member is a very good one.

* * *

[*Translation*]

TRANSPORT

MAGDALEN ISLANDS—IMPROVEMENT OF FERRY SERVICE

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I should like to put a very important question to the Minister of Transport.

Could he tell the House what progress is being made in the negotiations between the department and the Quebec government concerning the possibility of making available to the Canadian Transport Commission the *M.V. Manic* in order to update and improve the ferry service between the Magdalen Islands, in my constituency, and Souris, on Prince Edward Island?

May I add, Mr. Speaker, that we, people of the Magdalens, have long been anxiously expecting some improvement in that field.

Mr. Speaker: I have the impression that the hon. member was trying to make representations instead of putting a question and he must take it for granted that his representations have been noted by the responsible minister.

* * *

[*English*]

ST. LAWRENCE SEAWAY

PUBLICATION OF CARR REPORT

Mr. Jim McNulty (St. Catharines): Mr. Speaker, may I ask the Minister of Transport whether the Carr report concerning St. Lawrence Seaway operations has been received by the government and, if so, will it be tabled in the House?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the Carr report refers to the St. Lawrence Seaway which has its origin close to Iles-de-Madeleine, where we are looking into the problem referred to by the last hon. gentleman. I am expecting that the study of the Carr report will be complete within a very short time and, at that time, we will make a decision concerning what portions of it and in what form it should be brought forward for public consultation and discussion.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

QUEBEC—FEDERAL GOVERNMENT PARTICIPATION IN PROGRAMS TO ALLEVIATE UNEMPLOYMENT

Mr. Gaston Clermont (Gatineau): Mr. Speaker, I wish to address a question to the Minister of Regional Economic Expansion.

Since the premier of Quebec is due to announce, next week, new programs aimed at alleviating unemployment in his province, I should like to know if the Department of Regional Economic Expansion has been consulted concerning its participation to such programs?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, we have not yet been advised regarding the projects of the Quebec government, but should the latter ask for our co-operation, it will be granted with pleasure.

[*English*]

SAINT-JEAN—DESIGNATION AS SPECIAL AREA

Mr. Walter Smith (Saint-Jean): Mr. Speaker, I should like to direct my question to the Minister of Regional Economic Expansion. Can the minister advise the House if plans are being made to include the county of Saint-Jean as a designated area—

Mr. Speaker: Order, please. The hon. member will recall I suggested yesterday that a question of this nature was not in order at this time.

AIRPORTS

TORONTO—ACTION RESPECTING NEW FACILITY

Mr. Ian Wahn (St. Paul's): Mr. Speaker, my question is also for the Minister of Transport. Could he tell the House when we may expect an announcement on action in respect of the new Toronto airport?

Hon. Donald C. Jamieson (Minister of Transport): A meeting is scheduled with the premier of Ontario for either Thursday or Friday of next week.

An hon. Member: Before or after he resigns?

Mr. Jamieson: A meeting is scheduled for a week from now with whoever is premier of Ontario. The meeting will be held on Thursday or Friday. At that time it is hoped we can agree on an approach to the whole question and soon thereafter, or soon after the necessary studies are completed, it is our intention to make the studies known to the public and have a full discussion at the regional and municipal level before the decision is made.

Mr. Speaker: Order. The time allotted for the question period has now expired. I apologize to the many hon. members who have not had an opportunity to ask questions today. I will look in their direction next Monday.

Some hon. Members: Hear, hear!

Mr. Speaker: Is the minister rising on a point of order?

Mr. Macdonald (Rosedale): On a point of order, Mr. Speaker, I wonder if I could announce a change in the government business for today. After discussion, it has been decided not to commence with Government Order No. 36 but instead Government Order No. 24, the committee stage of the Temporary Emergency Powers bill.

Mr. McGrath: On a point of order, Mr. Speaker, I should like to ask the Acting Government House Leader this question which is prompted by a genuine concern for my colleague the Minister of Transport. Will today's question period pre-empt the Liberal caucus on Wednesday?

Mr. Reid: On a point of order, Mr. Speaker, in view of the question period today, which has been far better than it has been in the last three months, would the Speaker consider providing the members on the other side with—

Mr. Speaker: Order. Orders of the day.

GOVERNMENT ORDERS

PUBLIC ORDER (TEMPORARY MEASURES) ACT, 1970

PROVISION OF EMERGENCY POWERS FOR PRESERVATION OF PUBLIC ORDER

The House resumed from Tuesday, November 10, consideration in committee of Bill C-181, to provide temporary emergency powers for the preservation of public order in Canada—Mr. Turner (Ottawa-Carleton)—Mr. Laniel in the chair.

The Deputy Chairman: Order. The House is again in Committee of the Whole on Bill C-181, to provide temporary emergency powers for the preservation of public order in Canada. When the committee rose on Tuesday, November 10, 1970, clause 4 of the bill was under consideration.

Shall clause 4 carry?

On Clause 4—*Offence and Punishment.*

[*Translation*]

Mr. De Bané: I only wish to make a comment, Mr. Chairman.

According to yesterday's reports, representatives of various Montreal newspapers apparently met to discuss how the regulations, and particularly clause 4, should be interpreted. According to the review published in the papers and particularly in *La Presse*, it seems that all the information media give a different interpretation to clause 4, and particularly to subclause (c).

We know that under clause 14 of the bill under study, section 4 of the regulations is supposed to be incorporated in Bill C-181. I am glad on the one hand, but on the other hand, I am sorry to find that what I said about the vagueness and the many possible interpretations of clause 4 (c) actually turned out to be true, so much so that on the front page of yesterday's issue of *La Presse*, the news editor announced that he would have to reverse his opinion and interpret the act differently, since every news editor, following a general meeting, did not agree on the interpretation. Let me remind you that in the regulations, under 4 (c), you find the words "pour le compte de" while in the press release, the words are "en faveur", and finally in the act, the word is "pour".

I would now like to quote a recent judgment of the Supreme Court of Canada on the importance of the agreement between the two wordings. It is the case of *Tupper vs The Queen*, and in his judgment of June 26, 1967, reported in Vol. II of C.R.N.S. on page 35, Judge Hall stated:

• (12:30 p.m.)

[*English*]

It can be argued and readily accepted that this may not happen frequently, but it can and may happen if Parliament readily intended what the section says when, without any qualification as to time or circumstance, it put the burden of proof on the person in whose possession any such item may be found.

The interpretation which the wording of the section compels should, I think, be drawn to Parliament's attention.

[*Translation*]

As for the judge who preceded him—Judge Judson, I believe—he said, and I quote:

[*English*]

The English version reads: "any instrument for house-breaking"; the French version reads

[*Translation*]

—any instrument for house-breaking—

[*English*]

The French version makes the meaning clear. Both versions mean the same thing.

[*Translation*]

—it is therefore to be regretted that we were not more specific in that clause.

Clause 4 agreed to.

[*English*]

The Deputy Chairman: Shall clause 4 carry?

Some hon. Members: Agreed.

Clause agreed to.

On clause 5—*Idem*

Mr. Lewis: May I ask the minister a question?

The Deputy Chairman: I regret, but the Chair has recognized the hon. member for Abitibi.

[*Translation*]

Mr. Laprise: Mr. Chairman, I wish to move an amendment to clause 5 because, in my opinion, it is not stringent enough to cope with the present situation.

Clause 5 reads as follows:

—is guilty of an indictable offence and liable to imprisonment for a term not exceeding five years.

I move that clause 5 become clause 5 (a) and that it be followed by clause 5(b) which would read thus:

A person who, knowing or having reasonable cause to believe that another or other persons are guilty of an offence under clause 4(a), gives that other person any assistance with intent thereby to prevent, hinder or interfere with the apprehension, trial or punishment of that person for that offence is guilty of an indictable offence and liable to imprisonment for a term not exceeding five years.

The Deputy Chairman: The hon. member for Abitibi moved that clause 5 should become clause 5A with the addition of clause 5B reading as follows:

5B. A person who, knowing or having reasonable cause to believe that another person or other persons are guilty of an offence under section 4A of this Act, gives that other person any assistance with intent thereby to prevent, hinder or interfere with the apprehension, trial or punishment of that person for that offence is guilty of an indictable offence and liable to imprisonment for a term not exceeding 14 years.

[*English*]

Mr. Turner (Ottawa-Carleton): Mr. Chairman, as I understand it, the purpose of the amendment is to make it an offence for a person who knowingly gives another person—I hope I am translating the amendment correctly—any assistance with intent thereby to prevent, hinder or interfere with the apprehension, trial or punishment of that person for an offence under what is now clause 5 but which would have become clause 4(b) under the amendment earlier proposed by the hon. member and which was defeated in committee.

[Mr. De Bané.]

I want to submit to the hon. member and to the committee that there is no need for this amendment because a person described in the amendment would be an accessory after the fact, pursuant to the provisions of section 23 of the Criminal Code. I want to read that section.

Mr. Baldwin: You are on clause 5?

Mr. Turner (Ottawa-Carleton): Yes, the amendment to clause 5 proposed by the hon. member for Abitibi.

Mr. Baldwin: I thought you said clause 4.

Mr. Turner (Ottawa-Carleton): The earlier amendment, had it been passed, would have been clause 4(b), and this one is related to it.

What the hon. member is trying to do is to provide, in effect, an accessory after the fact provision which, I submit, is covered by section 23 of the Criminal Code which reads as follows:

23(1) An accessory after the fact to an offence is one who, knowing that a person has been a party to the offence, receives, comforts or assists him for the purpose of enabling him to escape.

Take that in conjunction with section 406(b) of the Criminal Code which provides that:

everyone who attempts to commit or is an accessory after the fact to the commission of an indictable offence for which, upon conviction, an accused is liable to imprisonment for fourteen years or less, is guilty of an indictable offence and is liable to imprisonment for a term that is one-half of the longest term to which a person who is guilty of that offence is liable;

Hon. members should take into consideration as well section 119 of the Code which provides that:

Every one who wilfully attempts in any manner to obstruct, pervert or defeat the course of justice is guilty of an indictable offence and is liable to imprisonment for two years.

Taking these provisions together, I submit that the bill is not improved by the amendment proposed by the hon. member, and for that reason I submit to the committee the amendment should be rejected.

Mr. Baldwin: I would like to make a couple of comments and ask the minister a question to which he might like to reply. He raised a point which has been in my mind since I read clause 5, and that is whether or not section 119 of the Code which he quoted regarding obstruction of justice does not, in the light of the jurisprudence, cover all of the things at which clause 5 is directed. The only change is in the penalty which would be fixed at imprisonment to a term not exceeding five years, rather than to a term not exceeding two years which I think is the penalty under the Criminal Code. Looking at the wording under clause 5 quite carefully it would seem to me, from my experience and my recollection of some of the cases which have gone to the courts of appeal, that practically everything that is prohibited under clause 5 would in fact constitute the basis for a charge being laid and ultimately a conviction being secured if the evidence so provided for obstructing justice. That is the question I wanted to ask the minister.

The other question relates also to the amendment and concerns the word "assistance". The wording reads:

—gives that other person any assistance with intent thereby to prevent, hinder or interfere with the apprehension, trial or punishment—

Has the minister contemplated the extent to which this goes? I suppose it would not cover a witness who is appearing for the accused, nor, hopefully, would it cover his counsel, although one never knows. But what about somebody who provided funds to permit an accused person to sustain a defence? Such a person would, in fact, come squarely within the description of a person who gave to another person charged with an offence assistance to prevent, hinder or interfere with the punishment of that person, but not with his apprehension. I am not trying to be picayune about it, but obviously there is an attempt in this clause to refine and particularize things which in the past have been considered as offences against the obstruction clause. These are two points which have been running through my mind, and I hope that the minister, either at this time or before we have completed our discussion on clause 5, might like to answer them.

• (12:40 p.m.)

The Deputy Chairman: Is the committee ready for the question?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I think the words in the bill are fairly clear. The gravamen of the offence is that any assistance that is given, in order to fall within the particular clause, must be given:

—with intent...to prevent, hinder or interfere with the apprehension, trial or punishment of that person—

That in no way would cover any assistance given by way of counsel at the trial. It is put in these precise terms in order that it be made part of the main body of the bill and stand with the bill.

Mr. Baldwin: Wouldn't it cover the prevention of the punishment? I suppose it would be wide enough to cover that.

Mr. Turner (Ottawa-Carleton): Well, yes, but prevention of the punishment would, I assume, be an attempt to liberate the accused from whatever custody he was under, and not an attempt to aid the accused in a legitimate defence to the charge.

Mr. Baldwin: Would the minister answer the other question about whether or not these offences established by clause 5 would in fact, under other circumstances, be offences which could be punishable as infractions under section 119 of the Criminal Code because anything which is contemplated here would, under the decided cases, constitute an obstruction of justice? Isn't this provision in the bill only because the government feels there should be an increase in the penalty from two years to five years?

Mr. Turner (Ottawa-Carleton): That is one of the principal reasons.

The Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

The Deputy Chairman: The question is on the amendment moved by the hon. member for Abitibi. All those in favour of the adoption of the amendment will please rise.

All those opposed to the amendment will please rise.

And the Second Clerk Assistant having announced the result of the vote as: Yeas, 1; nays, 53:

The Deputy Chairman: I declare the amendment lost.

[*Translation*]

Mr. Laprise: Mr. Chairman, on a point of order.

The Deputy Chairman: The hon. member for Abitibi on a point of order.

Mr. Laprise: Mr. Chairman, you said, it seems to me, that the amendment did not receive one yea, but two members have risen. I do not know whether the Clerk has counted them.

[*English*]

The Deputy Chairman: I guess this must have been a slip of the tongue on the part of the Clerk. I saw two members who voted for the amendment, and so we will change the record if it is not in order.

Amendment (Mr. Laprise) negatived: Yeas, 2; nays, 53.

[*Translation*]

Mr. De Bané: Mr. Chairman, I should like first to mention an error in translation. The word "trial" has been translated by "jugement" whereas in clause 7 this word has been translated by "procès". Therefore I believe that here too we should translate "trial" by "procès".

In addition, I should like to read the version which I should have suggested:

Est coupable d'un acte criminel et passible d'un emprisonnement de cinq ans au plus, quinconque, sachant ou ayant des motifs raisonnables de croire qu'une autre personne est coupable d'une infraction prévue par la présente loi, lui fournit une aide quelconque dans l'intention d'en empêcher, entraver ou gêner ainsi l'arrestation, le procès ou le châtiment pour cette infraction.

As to the form, Mr. Chairman, I see two differences between this clause and section 23 of the Criminal Code. The first is that section 23 of the Criminal Code says "knowing" while here we have "knowing or having reasonable cause to believe".

The severity which is added to clause 5 does not seem necessary to me while the other difference seems to me essential. I think that with this clause 5 we take away both privileges provided in section 23 of the Criminal Code on behalf of the married spouses and I shall read in English both of these exceptions mentioned in the Criminal Code.

[*English*]

An accessory after the fact to an offence is one who, knowing that a person has been a party to the offence, receives, comforts or assists him for the purpose of enabling him to escape.

There are two exceptions in the Criminal Code, and these are outlined in section 23(2) and (3) as follows:

No married person whose spouse has been a party to an offence is an accessory after the fact to that offence by receiving, comforting or assisting the spouse for the purpose of enabling the spouse to escape.

And:

No married woman whose husband has been a party to an offence is an accessory after the fact to that offence by receiving, comforting or assisting in his presence and by his authority any other person who has been a party to that offence for the purpose of enabling her husband or that other person to escape.

[*Translation*]

I consider inadmissible the rejection of those two exceptions, since they are based, I should say almost in their proper sense—on natural law. This amounts clearly to setting aside principles issuing from the British law. We no longer even make the distinction established by the Criminal Code in cases of murder or rape allowing the wife to receive her husband because he is part of her own flesh.

Then, the wife who will receive her husband at her home, help him escape and hide him shall be guilty. This is absolutely contrary to the basis of our criminal law according to which a wife is not obliged to give evidence against her husband. A wife is one with her husband as a husband is one with his wife.

Against our own will, with legislations of this kind designed to rid us of terrorist people attempting to destroy freedom in our country, we might ruin our society. Let us try at least not to break our families, for it is painful to think that we are reaching such a notion.

I wish also to point out—and I think I have already proved it—that this law interferes with the principle of strict responsibility, or that at least it is possible that it be interpreted in that sense.

This clause in its wording, particularly in French, could prohibit preventing a lawyer from defending his client or, for example, from taking exceptional procedures like a brief of prohibition to prevent the sentence to be passed.

But in any event, Mr. Chairman, I move one amendment only, which reads as follows: That the following words be added at the beginning of clause 5 on line 1 before the words "A person who,":

"Subject to subsections (2) and (3) of section 23 of the Criminal Code,".

The Deputy Chairman: Order please. It is proposed by the hon. member for Matane to add the following words to clause 5:

"Subject to subsections (2) and (3) of section 23 of the Criminal Code,"—

—and to insert them at the beginning of the clause, on line 1, before the words:

"A person who,"—

[*English*]

Mr. Lewis: Mr. Chairman, I rose earlier, but you recognized the hon. member for Abitibi, to ask the minister a question precisely on the point which is dealt with by the amendment which is now before the committee. I have had a number of letters and phone calls drawing attention to the fact that clause 5 does not have the exceptions which section 23 of the Criminal Code has, so that the wife of an arrested man would be unable to feed her husband or to stay with him in her house, nor would the husband of a woman be able to do so.

• (12:50 p.m.)

Before moving an amendment, I should like to ask the minister why this exception was left out of clause 5. Does he have any objection to the hon. member's amendment? It sounds an almost obviously sensible one in the circumstances. There is no reason why criminals in this situation or their wives should be treated differently from criminals covered by the Code generally.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the clause certainly does not mean that the wife of an unapprehended person otherwise caught within the provisions of the bill and who continues to live with her husband, is guilty of any offence. As I said, the gravamen of the offence is that any assistance must be given "with intent thereby to prevent, hinder or interfere with the apprehension, trial or punishment..."

With regard to the point raised in section 23(2) of the Criminal Code, perhaps we can stand that over the lunch period and I will think about it.

Mr. Lewis: Mr. Chairman, perhaps the minister misunderstood—

Mr. Turner (Ottawa-Carleton): The difficulty is that the hon. member for Matane gave us no notice of the amendments he intends to bring forward.

[*Translation*]

Mr. De Bané: Mr. Chairman, I rise on a question of privilege.

Last week, a private talk was to be arranged for me with the minister but, because of his duties in the House, the minister was not able to meet me. He was represented by high-ranking officials who have taken note of everything I said. I cannot admit what has just been said, Mr. Chairman, anymore than the accusation directed at me a few days ago for having submitted three different versions of the expression "unlawful association". I was glad to see that *Hansard* was in complete contradiction with the accusation made by the minister.

[*English*]

Mr. Turner (Ottawa-Carleton): On the point raised by the hon. member for York South, Mr. Chairman, the intention was quite deliberately to exclude section 23(2) of the Criminal Code, because of the nature of the conspiracy we are dealing with and in order to disuade anyone from assisting in the escape of persons in this particular conspiracy of the FLQ. The clause is put in the terms that any person who gives any assistance with intent thereby to prevent, hinder or interfere with the apprehension, trial or punishment, is guilty. There is

nothing within that clause which covers the case of an accused who continues to live with his wife or the wife who continues to live with the accused. The words are quite clear, "to prevent, hinder or interfere with the apprehension, trial or punishment..."

It is because of the serious nature of this particular conspiracy that we excluded the remainder of section 23(1) and 23(2) of the Criminal Code from the bill.

Mr. Lewis: Of course, I agree that this is a particular situation and obviously the law underlines the fact that it is a particularly evil kind of conspiracy. But, Mr. Chairman, the acts performed by the conspirators are acts which are covered in the Criminal Code.

I hope I am not misunderstood when I say this, but any kidnapping is a kidnapping no matter who the person involved may be. I am sure the minister agrees with that. Whether it is a minister of labour, a Member of Parliament, a foreign officer from another country, a man, woman or child, kidnapping is a heinous crime.

I appreciate that conspiracy is a different sort of thing. Clause 4 does not deal with the worst of the crimes such as kidnapping or murder, but deals only with such things as being a member of the organization and being a member of the conspiracy, crimes which are covered by the Criminal Code, but a person who kidnaps or murders somebody in any context is a murderer and a kidnapper.

I do not want to make a federal case out of this, but I am concerned that the wife of a person who falls under this law could be put in the almost inhuman position of being forced to hand her husband over to the police or to refuse to take him into the house. Of course, if he is trying to escape arrest, I understand that. That is the way I read the clause unless I am mistaken.

Mr. Turner (Ottawa-Carleton): Clause 5 of the bill reads:

> A person who, knowing or having reasonable cause to believe that another person is guilty of an offence under this act, gives that other person any assistance with intent thereby to prevent, hinder or interfere with the apprehension, trial or punishment of that person for that offence...

So it is only an offence under clause 4 of this bill that is covered, not an offence that may be charged under the Criminal Code. Offences such as kidnapping, murder, sedition, carrying an unlawful weapon, are offences which would be covered by section 23(2) of the Criminal Code.

Mr. Lewis: This is precisely the point I was making, Mr. Chairman, but I must have failed to make myself clear.

What the minister is saying is that the wife of the man who kidnapped Mr. Laporte, and the man who murdered Mr. Laporte, would be able to escape the provisions of section 23(1) of the Criminal Code and give him whatever succor a wife gives in that situation. But the man who did not kidnap Mr. Laporte, did not murder him, but who is charged with an offence of being a member of an organization without being charged with any of the really criminal and evil acts, cannot be given such succor by his wife.

I suggest to the minister that this is not consistent and that he and others should take a careful look at this kind of provision.

Mr. Turner (Ottawa-Carleton): The purpose of this bill is to render inefficient and to immobilize the FLQ, and clause 4 relates to that. It is because of this exceptional problem that this exceptional measure, and the bill itself, are needed. It is for the same reason that the exclusion of section 23(2) of the Criminal Code is needed.

An hon. Member: One o'clock.

The Deputy Chairman: Is the committee ready for the question?

Some hon. Members: No.

The Deputy Chairman: It being one o'clock, the committee will rise until two o'clock this afternoon.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2 p.m.

The Deputy Chairman: Order, please. When the committee rose at one o'clock an amendment to clause 5 of Bill C-181, moved by the hon. member for Matane, was under consideration.

Some hon. Members: Question.

The Deputy Chairman: Is the committee ready for the question?

Mr. Barnett: Mr. Chairman, it seems to me that the Minister of Justice might indicate what consideration has been given to this amendment.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I have considered the matter over the lunch hour. I am just looking for my copy of the bill.

Mr. Knowles (Winnipeg North Centre): The minister can have mine.

Mr. Turner (Ottawa-Carleton): The hon. member may need his copy. Mr. Chairman, the hon. member for Winnipeg North Centre makes very useful contributions on legal points when his legal colleagues, the hon. members for York South and for Greenwood, are not here. At times the hon. member for Winnipeg North Centre has participated in legal debates with great skill.

Mr. Lewis: He is a better lawyer than those of us who are lawyers.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, as I said prior to luncheon, the purpose of the exclusion, or of the implied exclusion with respect to section 23(2) of the Criminal Code, is quite specific. The exclusion applies

only to offences under the bill, and primarily to offences under clause 4 of the bill. Because of the nature of the FLQ, the nature of the association and the nature of the conspiracy, because this is an exceptional bill for a limited period of time and because the purpose of the bill is to root out the FLQ, it is the considered judgment of those whose advice I have sought, and it is advice which I support, that the exclusion ought to be maintained here.

I want to make it clear that the provision does not go to the mere fact of a husband and wife living together. That is not involved at all. It must be an act to prevent or inhibit the apprehension or trial or punishment of someone accused under this bill. That would mean that it would have to be something more than mere living together as husband and wife. That situation is not caught or involved unless there is an active participation in preventing the apprehension. I have considered the point raised by the hon. member for Matane and the hon. member for York South, and in ordinary times my instincts would run the same way. However, I am now suggesting to the committee that it should turn down the amendment.

[*Translation*]

While I have the floor, Mr. Chairman, as I stated previously, I had the French text of the bill revised and confirmed on several occasions.

The hon. member for Matane stated once again that in his opinion the translation was not accurate adding that he had compared the meaning of the word "trial" with that of the word "jugement". I have inquired of the chief translator and of two other lawyers of the Quebec Bar, both French-speaking and civilists. They stated that the word "jugement" is not taken here in the restricted sense of "décision judiciaire", but rather in the general sense of the action of judging, which is moreover the first meaning of "jugement" appearing in dictionaries.

The legal dictionary of Jéraute gives to the word "jugement" the same meaning as that of the English word "trial".

The hon. member for Matane certainly knows of several usual French expressions where the word "jugement" has the same meaning as the English word "trial". One may say, for instance, "passer en jugement", "le jugement d'un accusé", "poursuivre quelqu'un en jugement".

I have at hand the two versions given in the dictionary. The French-speaking legal advisers of our department are not only members of the Quebec Bar, but also specialists of the French language.

Mr. De Bané: May I ask a question of the Minister of Justice? Does he not consider it desirable that, in a same act, the same word not be translated in different ways? For example, in clause 5—

The Deputy Chairman: Order. I must tell the hon. member that, even if the Chair allowed the minister to clarify the word "jugement", it might be better, at this point, to make a decision with regard to the first amendment of the hon. member for Matane, this would then enable the House to vote on the second amendment of the hon. member, asking that the word "jugement" be replaced by the word "procès". At that time, the debate could perhaps be more detailed.

So, if the hon. member for Matane wants to make a few comments, I would ask him to refer as little as possible to an amendment which will be dealt with later.

Mr. De Bané: Mr. Chairman, according to the hon. minister's reply I might be prepared to withdraw my amendment on the word "jugement". I wanted to ask him a question in order to expedite our proceedings and, according to his reply, I might withdraw the amendment and save the House's time.

The Deputy Chairman: I will point out to the hon. member that his amendment is not now before the House. I feel we should deal with the amendment on section 23 of the Criminal Code, after which the hon. member will be quite free to put his question to the hon. minister.

• (2:10 p.m.)

[*English*]

Mr. Lewis: I want to say a word in reply to what the minister has said. I am fully aware that we are dealing with an unusual situation. I know the minister, and I appreciate his sincerity when he says that normally his instincts would go in the same direction as ours. What concerns us here is the morality involved in making a wife turn her husband over to the police, which is, in effect, what this means. The exception to section 23 is based upon simple human morality, simple human relationships. It is nothing extraordinary. I cannot accept the minister's explanation.

I do not see that the purpose which this bill sets out to achieve would be harmed to such an extent as to justify excluding the exceptions which are in the Criminal Code in favour of a spouse. I do not see how the purposes of the bill would be so badly hurt that we should pass an act which says, in effect, to a wife or a husband: If your spouse is being chased by the police and comes into the home you are to forget your relationship as spouse and hand him over to the police, or lock the door in his face, or refuse to give him food. This is the kind of everyday thing which is involved in what we are now discussing. If the minister could persuade me that to omit this provision embodying the humane attitude of section 23 of the Criminal Code was absolutely essential in order to achieve the purposes of the bill it would be a different story, but I cannot for the life of me see how this is the case, and so I have to support the amendment of the hon. member for Matane.

Mr. McCleave: Like other hon. members, I have given anxious consideration to the amendment before us. There are really two considerations which have to be balanced in the scale. First, every means must be available of tracking down those involved in the FLQ conspiracy. Then, there arises an extremely valid social consideration with respect to husband and wife. Marriage is perhaps the strongest single element which contributes to society; great as the needs of the state may be, we should none the less have due regard for marriage. It is a balance of interests which is involved here, but in this instance I

vote for marriage as opposed to the requirements of the state. I must, accordingly, support the amendment put forward by the hon. member for Matane.

Mr. Cafik: I should like to ask the minister to clarify one or two points following the comments which have been made on clause 5 and the amendment. As I read the clause, I can find no obligation whatsoever upon a husband or a wife to take any direct action to turn a suspected partner over to the police. All I see in the clause is that a person can do nothing to directly help somebody evade the law, who is suspected of being guilty of an offence. If a wife who suspected her husband was a member of the FLQ continued to live with him, and to provide him with food and so on in the course of normal marital relations, I cannot see that she would be guilty of any offence under the clause. If I am wrong, I may have to reconsider my decision. I should like to hear the minister clarify this point before I make up my mind.

Mr. Lewis: Suppose she knows the police are looking for him?

Mr. Cafik: I see no obligation imposed on her by this clause to turn her husband over to the police.

Mr. Lewis: She has to kick him out of the house.

Mr. Cafik: The hon. member for York South says she has to kick her husband out of the house. That, in my personal opinion, is not the case.

Mr. Gibson: It is a misleading statement.

Mr. Cafik: I do not see why we should pursue an argument of that kind. There can be legitimate criticism of this clause without creating hypothetical situations which, in my view, do not apply. The Minister of Justice is surely in a position to express a better and more intelligent opinion, and I should like to know exactly what his views are in this respect so that I may be able to make an intelligent decision as a responsible Member of Parliament.

Mr. Turner (Ottawa-Carleton): The interpretation placed upon the clause by my hon. friend from Ontario is the interpretation which I have been given, and I think he is perfectly correct. There is nothing here which means that a wife of an unapprehended member of the FLQ who goes on living with her husband is guilty of an offence. The gravamen of the provision is that any assistance which is given must be with intent to prevent, hinder or interfere with his apprehension.

Mr. Lewis: I do not want to go around in circles—

Mr. Cafik: Then, don't.

Mr. Lewis: If the closed minds across the way would open a little, it might do some good.

Mr. Macdonald (Rosedale): Look who's talking!

Mr. Lewis: I do not disagree with the emphasis placed on the clause by the minister, but if a wife, for example, knows that her husband is being sought by the police yet continues to have him in the house and, maybe, lock the door at night or even during the day, with intent, if you like—I do not know just how you get into the wife's mind—to protect her husband, if she does these things knowing the police are looking for him, and the police finally get into the house and take the man prisoner, then in my submission she is subject to a charge under clause five.

Mr. Gibson: Wrong.

Mr. Lewis: I knew the father of the hon. member for Hamilton-Wentworth.

Mr. Gibson: The son is a politician. He has nothing to do with it.

Some hon. Members: Oh, oh.

The Deputy Chairman: The Chair would appreciate it if the hon. member for York South could continue his remarks.

Mr. Lewis: Perhaps one of his hon. friends could take the hon. member for Hamilton-Wentworth outside and pat him on the head. I was going to say something stronger, but I decided not to, so don't pull my tongue. It is obvious to me that the meaning of the clause is the one I have attributed to it. What it also means in terms of human relationships is that the wife in such a case would certainly believe that she was guilty of an infraction of this law if she let her husband into the house, and allowed him to stay in the house instead of locking him out where the police could get him. I appreciate that we cannot give a definite interpretation of a statute here in this chamber, particularly when it has to do with criminal offences. The final interpretation will be given by the courts. We may argue back and forth, but we can never be sure of the conclusion the court will reach. One knows of judgments that have gone in the direction opposite to the interpretation put on sections by lawyers or laymen.

• (2:20 p.m.)

The fact is that the presence of this section in the law, particularly when section 23 of the Criminal Code specifically excepts the spouse and no such exception is made here, obviously means that the spouse will be in a tough, an inhuman spot, in relation to his or her partner. It would be inhuman to do this unless one can be persuaded beyond any doubt that without such provision the law cannot do its job, and there is no evidence of that.

There are other relationships in a family. I am not suggesting that sons or daughters be excepted when the criminal law does not except them, even though they too would be in a tough spot. However, the relationship of man and wife has been recognized in the laws of every civilized nation for ages, as well as in the criminal law, and in my submission failure to recognize it in this clause has not been supported by argument.

[*Translation*]

Mr. Laprise: Mr. Chairman, I wonder why the Minister of Justice (Mr. Turner) does not approve straight off the amendment moved by the member for Matane (Mr. De Bané), because, according to my interpretation—and I think that many will be of my opinion—the penalty is much stiffer for the spouse of a FLQ member than for the one who did a kidnapping, or a murder after a kidnapping. In the latter case, the Minister told us, if I am not mistaken, that section 23 of the Criminal Code could intervene in favour of the spouse, while the spouse who only belongs to the FLQ, for example, could be prosecuted.

If this is not the case, Mr. Chairman, I wonder why this provision should not be included in clause 5 in order to clarify the act.

[*English*]

Mr. Cafik: Mr. Chairman, I have listened with interest to the comments made by the hon. member for York South, and I feel obligated to make known to the House that I believe what he calls questions of fact are not fact, at least in my view. I do not think clause 5 in any way requires a wife to refuse to give food, lodging and shelter or the other things I referred to earlier, to her husband. For that reason, I cannot support this amendment.

I think it is insulting to many of us to suggest that those who would vote otherwise do not recognize the intimate, close and important association between a husband and wife. Certainly, I recognize it and I am sure all hon. members do. It is a matter of judgment as to how we feel this provision applies to that relationship. There is nothing in the bill to obligate her to do any specific act that would in any way interfere with her marital responsibilities. Therefore, I oppose the amendment.

Mr. Barnett: Mr. Chairman, I have listened to the Minister of Justice reiterate two or three times his view that this clause does not mean that the simple act of a husband or wife allowing his or her spouse to remain in the same dwelling will constitute an offence under this provision. A similar view was expressed by the hon. member for Ontario.

I should like to ask the minister what he considers the clause to mean in a situation where, for example, the husband, who may have been a member of the FLQ, has been informed that the police are carrying out a search and can be expected to arrive at his dwelling; the husband decides to leave and informs his wife where he intends to go. The authorities then arrive and she neglects or refuses to inform them of his whereabouts. Would that create an offence under clause 5, according to the minister's understanding of it?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the operative words are "prevent, hinder or interfere".

Mr. Barnett: It is precisely because those are the words that I put that question to the minister. Would she not be preventing, hindering or interfering with the apprehension of her husband if she neglected or refused to tell the police where he had gone after leaving the house? Do not those words mean exactly that?

[Mr. Lewis.]

Mr. Turner (Ottawa-Carleton): I do not think so, Mr. Chairman, though, as the hon. member for York South said, the courts would have to decide that. However, I do not think so and that is the advice that I have been given.

[*Translation*]

Mr. De Bané: Mr. Chairman, it seems to me that the Minister of Justice (Mr. Turner) is right when he states that this section allows a woman to allow her husband in her home. However it must be kept in mind that the privileges granted under paragraphs (2) and (3) of section 23 . . .

[*English*]

These privileges are not granted in the case of crime, whether it be murder, treason or rape. They are concentrated, I would say, in the natural law. Suppose a woman helps prevent the apprehension of her husband, for example, by lending him her wig or driving him away from the house while concealed under the back seat of the family car. Under the Criminal Code married people are given certain privileges, and in this case it would be difficult to imagine how she could resist pressure brought on her for reasons other than love or pity. I suggest such a privilege would extend to all married people who helped each other, even though he or she is acting wrongly. It is a privilege based on human nature and dates back centuries.

While the minister may be right when he says that mere cohabitation of both married people in the same house does not mean the wife is trying to prevent the husband's apprehension, nevertheless if she does prevent his apprehension then, according to the Criminal Code, she is innocent, whatever the crime be. Love or pity of one spouse for another should not be tantamount to being an accomplice after the fact.

This is what I wanted to say to my friend from Ontario. Although he may be correct in his interpretation, I am really talking about preventing apprehension by a wife lending her husband her wig or driving him away in the trunk of the car. The Criminal Code grants a privilege to either husband or wife in such matters, whatever the crime, a privilege that dates back centuries. I do not think this is the time, when we are making good law to deal with the FLQ, to enact such a provision as this.

• (2:30 p.m.)

Mr. Cafik: Let me point out to the hon. member for Matane that I sympathize with his views. I understand why he feels that in respect of this temporary public order bill, he should concern himself with those protections normally applied to a husband and wife under the Criminal Code. I feel that this particular provision we are looking at in Bill C-181 is of a temporary nature to protect the public against crimes of subversion and violence, and this affects the common good of all people. I believe the common interest of all Canadians supersedes a particular interest such as the hon. member for Matane has in mind. If this were a permanent piece of legislation,

designed in the same way as the Criminal Code, I would be inclined to support his position. In view of the temporary nature and the importance of the problem the bill is designed to resolve, I feel it is imperative that anyone aiding and abetting someone who is guilty of these criminal actions should be subject to these regulations. After all, they are designed to protect the interest and security of everyone in the nation.

For this reason, and despite my good feelings for the hon. member for Matane who I hope will respect my judgment, I find it impossible to support this amendment.

Mr. McCleave: Let's vote and cut out the guff.

Some hon. Members: Question.

Mr. Gleave: Mr. Speaker, are the members of the FLQ supermen, so that we must set aside all the ordinary considerations for human beings which the hon. member for Matane mentioned we had held for centuries? Can they do things that no ordinary criminals have ever been able to do over the years?

An hon. Member: They did.

Mr. Gleave: They did? They did kidnap people, but this has been done before. They have murdered people, and this has been done before. Are they supermen who can make themselves invisible or do something that makes it necessary for us to set aside all human considerations? It is suggested that the measure is temporary, but if you abridge a law is it important whether you do so for six months or six years? The ordinary human considerations will be abridged for the same length of time. I think the hon. member for Matane has a point.

Mr. Peters: I should like to ask the minister a question. An argument has been made by the hon. member for Matane and answered by the hon. member for Ontario. The Criminal Code affords this protection to a spouse, but the bill we have before us does not afford the same protection. Both hon. members feel there is some justification for this situation. Why is it not possible for the minister to move an amendment which would adopt this protection directly from the Criminal Code rather than having this exception?

Mr. McCleave: He doesn't want to do it, that's why.

Mr. Turner (Ottawa-Carleton): This bill, having the specific purpose of immobilizing the FLQ, grants certain departures from the regular provisions of the Criminal Code for a limited period of time. Among those are extended powers of arrest without warrant, detention before a charge, suspension of bail except at the instance of the attorney general of the province, search without warrant and other powers allied to this apprehending and investigatory process. These powers are unusual and extraordinary, and they are so because we are dealing with what we believe to be an extraordinary situation. I do not want to go over the debate on second reading again, but that is the reason the particular exclusion referred to in the amendment of the hon. member for Matane is made.

Mr. Peters: Am I wrong in assuming that a person who is charged under the Criminal Code for a serious offence will still have this protection, and that the protection will not apply to those charged under this act with things which are really of a relatively simple nature? Serious crimes, such as murder and kidnapping, will still come under the Criminal Code so the people charged with those offences will still have the protection but the protection will not be provided for people who are guilty of simple things, such as membership in an organization. I do not see how affording this protection to a married person would interfere at all with the purpose of the bill.

The Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

The Deputy Chairman: All those in favour of the amendment will please rise. All those opposed will please rise.

Amendment (Mr. De Bané) negatived: Yeas, 17; nays, 39.

The Deputy Chairman: I declare the amendment lost.

The Chair has a second amendment by the hon. member for Matane.

Mr. De Bané: Mr. Chairman, I would be ready to withdraw my amendment after asking a question of the hon. minister. Is it proper to suggest that in a bill it would be advisable to use the same words in both languages, or that the words should be translated in identical terms? For instance, the minister has given us a very good explanation which indicates that "trial" in English might mean "jugement" in French. In clause 7 we see the word "trial" used five times, whereas in the French version we see the word "procès" used five times. Is it not advisable that in the same bill the same word should be translated exactly the same, from a technical drafting point of view?

Mr. Turner (Ottawa-Carleton): Not necessarily, Mr. Chairman. The same word in English may be used in different ways and in each way it would be translated by a different French word. Reciprocally, there are words in French which may be used in different ways and each way would require a different English word to meet that use. So, in clause 5 it may be that the word "trial" has a more substantive and global meaning than it does in clause 7 which deals with the procedure of a trial during the course of that trial. The procedure of a trial during the course of a trial is perhaps more accurately translated by the word "procès" but a reference to the trial from beginning to end is probably better translated by the word "jugement".

• (2:40 p.m.)

Mr. De Bané: I withdraw my amendment.

The Deputy Chairman: There is no need to withdraw the amendment because it has not been put.

Shall clause 5 carry?

Clause 5 agreed to.

On clause 6—*Idem.*

Mr. Broadbent: Mr. Chairman, I should like to move an amendment to clause 6. The amendment would strike out all the words in clause 6 beginning at the word "or" in line 16 on page 4 down to and including the word "policies" in line 20. The new wording, therefore, would read:

6. An owner, lessee, agent or superintendent of any building, room, premises or other place who knowingly permits therein any meeting of the unlawful association or of any branch, committee or members thereof, is guilty of an indictable offence and liable to a fine of not more than five thousand dollars or to imprisonment for a term not exceeding five years or to both.

If we look at the unamended wording, the argument might be the following: The first part of the clause provides that anyone who knowingly permits any meeting of the unlawful association or of any branch and so on, in the given premises will be subject to the punishment outlined at the end of the clause. This is fine because there is already established legal precedent on this matter in the Criminal Code. Anyone who knowingly permits a group of bank robbers to assemble on his premises before they set out to rob a bank is appropriately chargeable under the Criminal Code. In this amendment, I would strike out the following words:

—or any assemblage of persons who advocate or promote the unlawful acts of, or the use of the unlawful means advocated by, the unlawful association for accomplishing its aims, principles or policies—

I shall briefly state the reason for the omission of those words. The brevity should not be taken as an indication that it is an unimportant point because I think it is extremely important. Why should a person who knowingly permits an assemblage of persons, who ultimately advocate or support an unlawful association, be subject to this kind of punishment if in fact he did not know what that assemblage intended to do. He does know he is going to have an assemblage and has permitted that to take place, a meeting of some sort. However, this is quite different from the situation which would exist when one might argue that it is appropriate to punish a person for knowingly permitting a conspiratorial or criminal association to meet. It is one thing to take that position and quite another to say that a man should be guilty of an offence simply because he permits a group of people to come together who eventually engage in criminal activity. That would seem to be indefensible. That is the first point.

The second point, which is not unrelated to the first point, is that quite apart from the interpretation of the law as it reads now in the clause which I am proposing be amended, which would have the effect of extending the category of groups which would be excluded from the right to assemble, this would permit, and in fact in my judgment encourage, the police to harass a variety of dissident groups, say in the province of Quebec, at this time. I think this is an extremely important point in terms of the maintenance of civil liberties, particularly the right of freedom of speech and freedom of assembly. If this wording should remain, the police could not necessarily obtain a conviction but could harass meetings of the Parti Quebecois, for example, and could harass meetings of students who wanted to get together simply to discuss the idea of separatism, either in the violent form associated with the FLQ or in the non-violent form associated with the Parti Quebecois.

In other words, the wording in this clause as it now stands could have the same effect in terms of the political climate of Quebec as the old padlock law had in that province. Following the argument of the Minister of Justice to the effect that the real purpose of this bill is to get at the FLQ, it would seem to me that nothing would be lost by simply retaining the first six and half lines of the clause and striking out the part I propose be struck out. But there is a real and important danger of severely inhibiting the free expression of ideas if that central part of the clause remains. I would suggest this change is important, not only to the civil rights of the individuals who might be affected but also in the broader sense for the political life of Quebec and, indeed, of Canada. If this clause should be given the broad interpretation, which I contend the police could give it, and if the police were to embark even in the next few months during the life of this legislation on a program of harassing legitimate separatist organizations such as democratic separatist organizations in the province of Quebec, then I for one would have very great apprehension concerning the future of Canada, and particularly the relationship between the province of Quebec and the government of Canada.

I could see such a situation sparking a very strong movement—I am saying this is a distinct and real possibility and therefore one that we must consider—of thousands of civilized French Canadians, who up until this point have not decided on the separatist option, into the separatist camp. If that should happen, then we are in real trouble.

• (2:50 p.m.)

Mr. Turner (Ottawa-Carleton): Mr. Chairman, if the hon. member were right, then his amendment should be to strike out the first part of the paragraph as well. What he suggests is that an owner, lessee, agent or superintendent should not be found guilty merely for knowingly permitting a meeting. What he is saying is that the owner or lessee might not know it was an assemblage of persons who advocate or promote the unlawful acts of, or the use of the unlawful means advocated by the unlawful association. He is suggesting that the word "knowingly" does not apply to the words "to advocate or promote the unlawful acts", etc.

If that were so, the word "knowingly" in the first part would apply to "meeting" and would not apply to "unlawful association". The view has been given that the words "knowingly permit" in the first part of the clause as it now reads apply to any meeting of the unlawful association. There would have to be knowledge of the

meeting and knowledge that it was a meeting of the unlawful association.

In the same way, in the second part which the hon. member seeks to strike out the knowledge would have to apply not only to the existence of the assemblage of persons but to the fact that they advocated or promoted the unlawful acts of, or the use of the unlawful means advocated by the unlawful association.

I am suggesting that both those sections in the clause are necessary for the same reason, namely that there is an offence specifically in clause 4(d) to cover those who advocate or promote the unlawful acts of, or the use of the unlawful means advocated by the unlawful association for accomplishing its aims, principles or policies, and for the reason that the definition in clause 3 not only includes Le Front de Liberation du Quebec but also any group of persons or associations that advocate the use of force or the commission of crime as a means of or as an aid in accomplishing the same purpose. The reason is that the bill has as its purpose not only the apprehension of the membership of the FLQ but any successor organization or any organization advocating the same purposes and means, because it is obvious that the FLQ might not have a membership list or a corporate charter with objects and purposes.

If the hon. member's amendment were to succeed and it became impossible for the prosecution to prove that there was membership of the FLQ on the premises occupied or rented by the owner or lessee, then of course the purpose of the bill could be bypassed. So it is not only a meeting of the members of the FLQ but an assemblage of any number of people having the same purpose and advocating the same means as the FLQ that is unlawful under this bill. The word "means" is important. It is found in clauses 3 and 4(d) and throughout the bill because it is clear that the purpose of the bill is not to apprehend those who do not advocate the use of force or crime as a means of effecting governmental change. The words "for accomplishing its aims or principles and policies", and "the unlawful acts and unlawful means" have to be referred again to clause 3 which reads "or any group of persons or association that advocates the use of force or the commission of crime as a means of or as an aid in accomplishing the same or substantially the same governmental change within Canada as that advocated by the said Le Front de Liberation du Quebec".

The purposes and aims are quite clearly recited again in the preamble in the words "who advocate the use of force or the commission of crime as a means of or as an aid in accomplishing governmental change". Attempting to accomplish governmental change by peaceful methods or by the ballot box is not covered by the bill. So the concern that the hon. member has about free discussion is shared by me, but we are not trying to prohibit free discussion that seeks peaceful governmental change, if that is the purpose. We are trying to cover discussion which prompts seditious governmental change, that is, by use of crime, violence or force. I think that is clear throughout the bill. So the purpose of the words that the hon. member seeks to strike out is to complement the definition in clause 3 and the specific offence in clause 4(d). If one were to leave out those words, the bill would be weaker as a result.

Mr. Barnett: Mr. Chairman, apart from anything else, if one were to accept the argument of the Minister of Justice at its face value, the words which my colleague has proposed to delete from clause 6 are redundant. If one looks at the interpretation clause 2(d) one sees that it reads:

> (d) "the unlawful association" means the group of persons or association declared by this Act to be an unlawful association.

Clause 3 is the clause that declares what is an unlawful association and, as the minister quite properly indicated, it includes other than the particular group or organization currently known as the FLQ.

The clause, as amended, clearly retains within it the use of the phrase "any meeting of the unlawful association or any branch, committee or members thereof". In my submission, because of the prior definition in the bill of what the unlawful association is, all of the circumstances which the minister is arguing should be covered by the bill are clearly covered in the clause as amended by my colleague.

However, what some of us are concerned about is that when you add this redundancy to this clause and you start talking about "any assemblage of persons who advocate or promote" etc., you are moving beyond the definition in the bill of what is an unlawful association which, in my view, is certainly broad enough now for the minister's purposes. You are laying open to an offence any person who permits an assemblage of persons who may meet for discussion purposes, who may be roused by some individuals in that group who are in effect advocating certain actions, and who may decide to take a vote on whether or not certain means of effecting change in our society are or are not necessary. If that happens, presuming it is established that the agent or owner was present at that meeting and did not immediately call the police to eject that assembly of persons from his presence, you are laying open that person to a charge of an offence under the act.

These are the things we are concerned about, that this Provision not extend into what I would describe as the grey areas where people exercise the kind of freedom of speech to which we have been accustomed in this country. I can remember some very eloquent speeches made at meetings back in the 1930's under the auspices of the Communist party. It is true that the Communist party at that time had not been declared to be an unlawful association, but certainly some of the speeches that were made moved the audience in a direction that went beyond what the minister calls "the use of the ballot box". Those things happen.

• (3:00 p.m.)

We suggest that this clause as drafted is unnecessarily broad and that the question of what constitutes an unlawful association is quite clearly laid down in the bill from the point of view that the minister has outlined. The clause is open to an interpretation whereby anyone

who happened to own premises or a hall and rented them could be charged. It is conceivable that university authorities could be charged because a meeting took place in a classroom where a group of young people were discussing the whole gamut of how to bring about social change. This may seem far-fetched, but sometimes things get out of hand. I am sure that if the minister considers the matter carefully he will realize that without this phrase the clause is broad enough to cover the circumstances he wants to deal with through the bill.

Mr. De Bané: Mr. Chairman, I do not agree with the hon. member's amendment. The first part of clause 6 prohibits meetings of the FLQ, and the second part prohibits meetings of people guilty of the offence described in clause 4(d). The first part of clause 6 refers in fact to clause 4(a), and the second part to clause 4(d). Therefore, the rationale of the amendment is not good. No illegal association has ever published a restricted list of its illegal acts. Clause 2(d) defines "unlawful association" as an association declared by the act to be unlawful, and clause 4(d) refers to "unlawful acts".

Mr. Broadbent: If I may reply to the last speaker first, I point out that clause 4(d) talks about the person who commits the act. It reads:

> A person who advocates or promotes the unlawful acts of, or the use of the unlawful means...is guilty of an indictable offence—

If you look at clause 6, what we have in it, as I tried to suggest in the first part of my argument, is the very real possibility of charging a man who knowingly not only leases premises to an organization that he is aware is illegal—I am in agreement with that—but who also knowingly leases his premises to an assemblage of people who, in turn, in the course of their meeting may do something that contravenes the law. The man has no control over that. A comparison with clause 4(d) breaks down on that ground. The Minister of Justice referred to the first part of the clause which reads:

> —who knowingly permits therein any meeting of the unlawful association or of any branch, committee or members thereof—

That same "knowingly" carries down to the part of the clause that I want to exclude so that he would only be punished if he knew the assemblage was going to advocate criminal activity. At present the clause does not say that. The unamended clause might be used for harassment of people who may be discussing ideas, whether of the FLQ or some other separatist variety. With the portion deleted which is mentioned in the amendment, the police could still deal very effectively with known branches of the FLQ. We should avoid anything in the law that might lead to harassment of free discussion. If the clause is not amended, that is exactly what we will be doing—providing potential for harassment of free discussion.

Mr. Lewis: Mr. Chairman, it seems to me that the Minister of Justice is not likely to accept any changes in the bill except those that he himself may propose. However, we intend to try to persuade him and the committee to make the changes we think are important. The hon. member for Oshawa-Whitby and the hon. member for Comox-Alberni said many things that I would have said, so I will not repeat them. I can probably agree with the minister, also being a lawyer of some sort, that the word "knowingly"—

Mr. Knowles (Winnipeg North Centre): Which one is the "lawyer of some sort"?

Mr. Lewis: The present speaker. I agree with the minister that "knowingly" may be interpreted to apply to an assemblage of persons having certain characteristics, but that is not the whole point. I understood there were three major objectives that the government wanted in legislation in order to fight the FLQ. My colleagues and I have expressed a regretful willingness, I assure you just as regretful as the minister's, to accept those three objectives in the circumstances of the case. The first is the declaring of the FLQ and analogous organizations as unlawful. One doubts the value of declaring organizations unlawful and knows the danger in that. As I have said on two or three occasions, what is there now is an unlawful conspiracy, a group of men who plan kidnappings and are involved together in kidnappings, in murders, in bombings, in robberies and in theft. In short, they are criminal conspirators.

The second thing I understood the government to need for a limited period was the unlimited right to search without warrant in order to be able to apprehend the people concerned and to find weapons, ammunition, dynamite, etc. The third was the right to apprehend people without warrant and to detain them for a limited number of days. I am very glad that the bill reduces the number of days. As I understand it, those are the crucial powers that ever since October 16 the police have required to do the job. In addition, this bill contains many other powers that in our submission go beyond the purpose of the bill.

• (3:10 p.m.)

Clause 6 as a whole is the equivalent of the padlock law introduced by Duplessis in the province of Quebec and against which the right hon. Prime Minister and other members of the Liberal party fought valiantly. But all that could be done under the padlock law was to lock up a house. There was no fine or imprisonment involved, just the authority to lock up a house where a meeting of a communist group advocating force and violence took place.

Under clause 6 of this bill the owner, lessee, agent or superintendent of the building is liable to a fine of $5,000 or imprisonment for a term not exceeding five years, or both. We are ready to go along with the minister as far as he means letting the place knowingly to an unlawful association, but the vague language used in the clause is bound of interfere with legitimate activities.

I am sure the minister is aware that many cases dealt with by the Supreme Court of the United States involving issues of civil liberties, free speech and amendments

to the American constitution have drawn a very important distinction between advocating the use of force in the abstract, as a theory, and inciting the use of force, that is, getting people to go out and use force.

Mr. Turner (Ottawa-Carleton): Except that to advocate can amount to inciting.

Mr. Lewis: I will admit that, Mr. Chairman, obviously, but then it may not amount to incitement. What it means is to prohibit an assembly of persons discussing theories about the use of force. In this case it may be discussing theories about the use of force in connection with certain governmental change. I happen to disagree with governmental change; I oppose separatism; I believe that the means used by the FLQ are inhuman, criminal means for which they ought to be apprehended and broken up as an organization. All that is true. But I have been present at university groups and groups composed of organizations of poor people and have heard them discuss their frustrations at the prospect of getting anything done through normal channels. As a citizen believing in peaceful methods, it is my duty to attempt to persuade them that any other method can only lead to trouble. To prohibit discussion, though, is a different thing.

I have here a report from the Montreal bureau of the *Globe and Mail* of October 30, 1970, which states:

> Quebec's university rectors complained yesterday that "the vague and ambiguous nature of the wartime emergency regulations have stifled academic freedom.

If my memory is correct, clause 6 of this bill is almost word for word the same as section 6 of the regulations; the only difference is that the regulation under the War Measures Act talked about "promoting," etc. The effect of the wording is exactly the same. The War Measures Act talked about "promoting" and this bill talks about "advocating or promoting", which is worse. The rectors of the university are also reported as follows:

> The conference said section 6 of the regulations passed by the federal cabinet on October 9—

I suppose that should be October 16.

> —places all universities in a very difficult position.
>
> Under this section, a principal could be liable to five years imprisonment or a $5,000 fine for having knowingly allowed the use of a university hall for "any group of people who supported—

In this case it would be for any assembly of persons who advocate or promote, etc. It is the same thing but a little broader than the regulations under the War Measures Act. The report goes on:

> —this regulation opens the way for "guilt by association" and interferes with academic freedom. In a letter to Prime Minister Pierre Trudeau and Premier Robert Bourassa, the conference stated:
>
> "You will recognize that, in the normal course of university life, groups of students or professors may endorse social, economic or political positions which by coincidence may resemble certain ideological views of the FLQ.
>
> We do not believe that it is in the public interest to expose these citizens, or the universities where they meet, to legal sanctions."
>
> The university heads said section 6 is so ambiguous that it forced the University of Quebec to close its Montreal campus to 7,000 students for a week because Rector Leo Dorais feared he would be prosecuted in the wake of a sit-in at his office by a handful of radical students supporting the FLQ. (The sit-in collapsed after the murder of Pierre Laporte on October 17.)

The university rectors are already aware of and disturbed by this provision. They are fearful of interference with our academic freedoms, and this fear is justified. I repeat, Mr. Chairman, it is difficult for legislators to interpret the precise wording of a section. The interpretation will eventually be made by the courts in relation to a certain set of facts. We have no precise facts and therefore cannot interpret this law. It seems to me, therefore, that we have a duty to avoid going beyond those means which are necessary and essential to achieve the purpose of breaking up the FLQ. There is no reason under the sun why this bill should abridge freedom of discussion and expression of views.

I had hoped that the minister would see this point. If he does not like the particular amendment that has been moved, perhaps he could come forward with a better one to remove the fears indicated by the rectors of universities in Quebec. We would have been quite happy for him to introduce another amendment, but he seems determined to keep the language exactly as it is. Perhaps he will show the same determination on every amendment proposed by members of the House on either side.

We shall continue to move them in order to show what the law should be if it were properly organized for the purposes it is intended to serve. We shall see whether the minister can be moved to accept some of them. I hope the minister will change his mind and be prepared to accept at least the ideas which we have presented and will come forward with amendments of his own. Of course, if he does not, there is nothing we can do about it.

• (3:20 p.m.)

Mr. Cafik: Mr. Chairman, I would ask the Minister of Justice a question as a result of the remarks of the hon. member for York South. He indicated that clause 6 would prohibit academic discussion as to whether force could at any time be legitimately used or any type of similar objective. I am of the opinion, having read clause 6, that there is no such prohibition. According to my interpretation, the only prohibition is the advocacy or promotion of force for the achievement of political objectives. Certainly, this does not prohibit academic discussion with respect to the use of force. I cannot see anything in the clause that would constitute such a prohibition. I ask the minister if he would in a moment comment on that matter.

The second point is this. The hon. member for Oshawa-Whitby seemed to feel that this clause might be dangerous to members of the Parti Quebecois in the sense that any meeting might well become involved in discussing the use of force or advocating it. I do not think there is very much in common between the purposes of the Parti Quebecois and the means and purposes advocated by the FLQ. Frankly, I think it is an insult to the democratic organization of the Parti Quebecois to suggest that they

would be holding meetings along lines that are prohibited by clause 6.

I cannot see why we should be fearful of this clause. I do not think it constitutes an abrogation of academic freedom in any way. I cannot agree with anyone in this chamber who wants to protect those who knowingly permit an assemblage of persons to advocate or promote unlawful acts against the state. I feel that when society is endangered, as at present, we must take adequate steps to protect it. I believe that clause 6 is one of those necessary steps. Before I sit down I would ask the minister to answer the question I asked as to whether there is a loss of academic freedom involved in this clause.

Mr. Broadbent: Mr. Chairman, I will not go over all those arguments that have been raised, arguments with which I do not think the hon. member for Ontario dealt. I wish to make an important correction. I do not wish to imply in any way that the actions of the Parti Quebecois have anything to do with the FLQ. Their only aim in common seems to be their commitment to an independent Quebec. My point was that precisely because of this common ground there may be real danger of the democratic Parti Quebecois being harassed as a result of this clause, simply because some of its ideas in certain respects correspond with some of those of the FLQ. Their ideas correspond in certain respects, just as the ideas of all parties in this House correspond in certain respects.

A discussion of the question of separatism might be just enough to bring about abuses by the wrong kind of policemen. That, really, is what we must be concerned about. The law, when it is framed, must take cognizance of the fact that the wrong kind of policemen may act. I am not suggesting that all policemen are bad policemen, but we must consider what would happen if they were overzealous. For instance, they might apply the same arresting powers, initially, to an assemblage of the Parti Quebecois as they could legitimately apply to the FLQ or an association of the FLQ. That, precisely, is the major point of the amendment.

Mr. Barnett: Mr. Chairman, I should like to add a word or two to what has been said by the hon. member for Oshawa-Whitby. The point that may be of concern to us, since the question of the FLQ and the Parti Quebecois has arisen, is that clause 6 deals with the question of owner, lessee, agent or superintendent of premises. Some of us have very vivid recollections of situations in which we tried to rent the only hall in a community. In that situation, because owners of certain premises at one period in the history of this country equated the CCF with the Communist Party, it became impossible for some of us to rent premises in communities for the purpose of holding public meetings to discuss public issues.

This is the kind of unnecessary restriction upon the freedom of democratic discussion in this country that some of us are concerned about, partly because we have had personal experience of how this can happen. We do not want to see this bill become a vehicle whereby freedom of discussion of the kind in which the Parti Quebecois is engaged in the province of Quebec is restricted and suppressed. This is the very practical concern of some of us, especially because of the manner in which this clause is worded. It has to do with those people who have in their hands the right to rent or refuse to rent premises for public assemblies.

Mr. Gilbert: Mr. Chairman, I should like to direct a question to the Minister of Justice. He is going to answer the hon. member for Ontario and I have a question on this clause. I think we all agree that any owner, lessee, agent or superintendent who would rent to an illegal association knowingly would be guilty of an offence. Also, any owner, etc., who would rent to an assemblage of persons some of whom wish to advocate the violent overthrow of the government or who have similar ideals, would be guilty of an offence.

However, the question that arises in my mind and to which I ask the minister to direct his mind is this. Let us suppose an owner or lessee does not know that the assemblage of persons to whom he is renting is going to advocate force, and so on. Does that impose upon him the duty to attend and supervise these meetings and, if he finds out subsequently, as opposed to prior knowledge, that some of the members advocated the overthrow of the government by force, of telling them to get out? Does he have to stop the meeting and call the police?

If that is to be the effect of the clause, it certainly imposes a tremendous restriction upon people renting premises. And not only that. It would mean they would have to supervise every meeting in order to see that none of these things happened. It would certainly, as the hon. member for York South said, impose tremendous restrictions upon universities and all political parties, most of which advocate the democratic process in order to bring about change. I have directed my question to the minister and I should like him to consider it.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I am supported in my view that the word "knowingly" applies not only to the word "premises" but also to "unlawful association" in the first part of the clause, and to the words "assemblage" and "promote the unlawful acts of", etc., in the second part. I am supported by the hon. member for York South in that view.

Mr. Gilbert: That is prior knowledge, then?

Mr. Turner (Ottawa-Carleton): That is my answer to the question.

Mr. Gilbert: Mr. Chairman, with respect, the Minister of Justice answered the first part of my question about prior knowledge but he has not answered the second part about subsequent knowledge. Once a man has rented premises, does the clause put upon him the duty of supervising the meeting to determine whether certain members of the assemblage are going to advocate the overthrow of the government by violence? If he happens to overhear such conversation, must he inform the police,

or must he tell these people to get out? Otherwise he is liable to be charged under this clause.

Mr. Lewis: That is a good point.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I am afraid I cannot be placed in the position of trying to give a legal opinion on a whole range of facts. I think these will be for the courts to determine. I think it is clear from the way the words are written that "intentionally" means at the time permission was given.

• (3:30 p.m.)

Mr. Broadbent: The minister suggested the hon. member for York South agreed with him that "knowingly" applied to the second part of the clause. I mention this because my hon. friend was not listening at the time. As I recall it, he said that in his legal view the minister's interpretation might be the correct one. This is an important point. If the minister is not clear about it, it should be clarified.

Mr. Baldwin: I was interested in the minister's reply to the hon. member for Broadview. Is it the hon. gentleman's view, as presented by his legal advisers, that the word "knowingly" must add to the usual importance of the principle of *mens rea*, proving beyond reasonable doubt, and does it apply to every ingredient of the offence? In other words, is it to be construed not only in conjunction with permitting but with the knowledge of a person charged as to the nature and character of the assembly and what the motives and intentions of the assembly were?

Mr. Turner (Ottawa-Carleton): That is the advice I am given, Mr. Chairman, and that is my view.

Amendment (Mr. Broadbent) negatived: Yeas, 9; nays, 47.

The Chairman: I declare the amendment lost. Shall clause 6 carry?

[*Translation*]

Mr. Laprise: Mr. Chairman, I should like to move an amendment to clause 6, because in my opinion it is not stringent enough towards criminals.

Those who engage in terrorist activities, whether they be members of the FLQ or other criminals, should be liable to more severe penalties. If the government managed to fight inflation with as much success as it manages to be soft with criminals, the people would have cause for satisfaction.

But as regards clause 6, Mr. Chairman, I think that the act is not stringent enough in the cases we are concerned about. Therefore, I move:

That clause 6 be amended by replacing, in line 22, the words "five thousand dollars" by "twenty-five thousand dollars" and in line 24 the word "five" by the word "fourteen".

[*English*]

The Chairman: I will ask the Clerk Assistant to read the amendment.

[*Translation*]

And the Clerk Assistant (legal) having read the following amendment:

Mr. Laprise moved that clause 6 be amended by replacing in line 22, the words "five thousand dollars" by "twenty-five thousand dollars" and in line 24, the word "five" by the word "fourteen".

Mr. Turner (Ottawa-Carleton): Mr. Chairman, a few days ago, when the hon. member moved various amendments in order to change the amount of the fines and the terms of imprisonment, I pointed out to him that fines and terms of imprisonment in this bill must agree with those provided in the Criminal Code in respect of kidnapping, murder or mutilation. That is why I suggested to the committee to reject the other amendment of the hon. member. Once again I must urge the committee to reject the principle of this amendment.

[*English*]

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Laprise) negatived: Yeas, 2; nays, 58.

The Chairman: I declare the amendment lost. Shall clause 6 carry?

Mr. McCleave: I simply want to draw the attention of the committee and, through *Hansard*, the attention of the country to the fact that we have spent approximately 40 minutes on this one clause, and yet the only useful exchange, the one which dealt with the essence of the whole matter, was the one between the Minister of Justice and my hon. friend from Peace River.

Some hon. Members: Oh, oh!

The Chairman: Order. The hon. member should not reflect upon the time taken in debate or upon the vote of the committee.

Mr. McCleave: I shall not reflect upon the time taken up by debate, but upon the type of arguments which have been used, arguments which have been advanced over and over again—

The Chairman: Order. Clause 6 is still before the committee. If the hon. member wishes to relate his remarks to the clause, he may do so; otherwise he is not in order.

[*Translation*]

Mr. De Bané: I hope, Mr. Chairman, that my comments have some bearing on clause 6. There are three things I want to discuss in connection with this clause.

In the first instance, there are translation errors; secondly, there is a possibility of ambiguity, and, thirdly, the matter of strict or objective responsibility.

With respect to the translation errors, I do not know whether the phrase "agent of any room" means anything in English, but I know perfectly well that in French the Phrase "Régisseur d'une pièce" has none, or at the least, is a very unusual expression. Also, the words "building superintendent" in North American translate into "concierge" and not into "surintendant". Webster's *Third International Dictionary* gives this definition of a "superintendent": the person who "is responsible for the cleaning and maintenance of a building".

About the possibility of ambiguity, the wording of this clause is bad, because while allowing a meeting of "members of the unlawful association", this includes necessarily a meeting of the association, of a branch or a committee of said association, while, in my opinion, the wording should be "meeting of members", without adding the words "of the association or any branch, committee".

Then, the second group of persons covered by clause 6 is described from line 24 to line 30 inclusively. I wanted, without proposing an amendment, to suggest a version which seems to me simpler and especially, much more efficient. I must also say that it is much harsher, but this is justified by the temporary character of this act.

Furthermore, the clause, as written, seems to forbid two different things.

First of all, the first part of the clause forbids, without taking into consideration its objectives, any meeting of the members of the unlawful association, while the second part forbids any meeting of any group of persons who advocate or promote the unlawful acts of an unlawful association for accomplishing its aims, principles or policies.

The clause would have been acceptable had the expression "unlawful acts" been used. But by using "the unlawful acts" we see how impossible it is to prove that they are unlawful. Finally, I quote the Kipling case, of the Ontario court of appeal, in connection with Section 221 (2) which deals with leaving the site of an accident, in which the following terms were to be interpreted:

> Every one who, having the control of a vehicle that is involved in an accident with a person, vehicle or cattle in charge of a person, with intent to escape—

The court reached the conclusion that the expression "in charge of a person" applied not to the vehicle but to the cattle.

I think the version I suggest, without moving it as a formal amendment, is clearer and solves a lot of problems.

Finally, considering the concept of strict, absolute or objective responsibility, the following words should be added after "knowingly permits": "without lawful justification or excuse the onus of which lies upon him".

I shall give the example of the owner of premises who would knowingly allow a physician or a political scientist to gather members of an unlawful association for an interview for scientific purposes.

We must finally realize that the clause stands out mostly because it provides for a maximum sentence that, off-hand at least, is greater than the one prescribed under clause 4(*g*) for someone who really makes use of violence.

Finally, let us note that, by the combined effect of clause 4 of this bill and section 21 and following of the Criminal Code, this clause seems unnecessary.

I should like just to suggest, without moving it formally, the following version of clause 6:

> Is guilty of an indictable offence and liable to a fine of not more than $5,000 or to imprisonment for a term not exceeding five years or to both, any person who is the owner or the lessee of any building, room, premises or other place, or who acts in a responsible or supervisory capacity with regard to them, and who knowingly permits without lawful justification or excuse, the onus of which lies upon him, any meeting of the persons who have violated or who violate the provisions of subclauses (a) to (g) in clause 4 of this act.

I hope that when the promised legislation is drafted in a few months' time these suggestions will be taken into consideration.

• (3:40 p.m.)

[*English*]

The Chairman: Shall clause 6 carry?

Mr. Knowles (Winnipeg North Centre): On division.

Clause 6 agreed to.

On clause 7—*Detention.*

[*Translation*]

Mr. Béchard: Mr. Chairman, prominent law officers from the department and outside have called the attention of the minister upon certain anomalies contained in the French version of clause 7 which would make it a little difficult to understand this clause in view of the double negative. Furthermore, with regard to the English version, mention has been made of some difficulty, for instance, in understanding the meaning of the first paragraph which reads as follows:

[*English*]

> A person charged with an offence under section 4 shall be detained in custody without bail pending his trial unless
>
> (a) the Attorney General of the province in which the person is in custody has not—

[*Translation*]

On account of those two negatives, the minister is prepared to move an amendment, if the House agrees. I have here both the French and English versions of the amendment. Copies of the amendment have already been distributed in the House so that hon. members can get acquainted with it.

With the agreement of the committee, I am ready to move this amendment concerning Bill C-181.

I move that lines 25 to 37 on page 4 and lines 1 to 6 on page 5 be deleted and replaced by the following:

> 7. (1) Without prejudice to subsection (2), a person charged with an offence under section 4 shall be detained in custody without bail pending his trial.

(2) A person shall not be detained in custody under subsection (1)

(a) after the seventh day following his arrest or, if he was arrested before the coming into force of this act, after the seventh day following that date, unless, before expiry of the seven days, the Attorney General of the province in which the person is in custody has filed with the clerk of the superior court of criminal jurisdiction in the province a certificate under this section stating that just cause exists for the detention of that person pending his trial, or

(b) after a certificate issued under this section in respect of that person has been revoked, or the Attorney General of the province in which that person is in custody has otherwise consented to the release of that person on bail.

(3) Where a person who has been charged with an—

[*English*]

Mr. Baldwin: Mr. Chairman, I would ask the minister to clarify one aspect not only of this amendment but of the original clause. I should like to ask a question with respect to the certificate that is to be given by the Attorney General. The certificate would state that just cause existed for the detention of a person, and this would be the reason for detaining that person for up to seven days.

Can the minister indicate whether it is intended that the certificate will state what is the just cause, or will it simply state, "In the opinion of I, Jerome Choquette"—or whoever it may be—"there is just cause for the continued detention of," so-and-so? If this is the case, I would be rather apprehensive about it because I must say, with all due respect, that some of the statements attributed to the Attorney General of Quebec indicate it would be dangerous to leave in the hands of an attorney general, particularly the one I have instanced, the right simply to sign a certificate stating there is just cause.

Is it intended that more than this bald statement would be included in the certificate? Is there to be any reason given beyond the Attorney General saying there is just cause? If there is—and what we say here is not binding upon any court—I assume it is the view of the government and the view, I hope, of hon. members of the committee that the Attorneys General be so advised.

• (3:50 p.m.)

Mr. Turner (Ottawa-Carleton): Mr. Chairman, if the hon. member for Peace River compares clause 7(2) with the regulations under the War Measures Act, he will see why the words "just cause" have been inserted. The regulation provides:

A person arrested for an offence under section 4 shall be detained in custody without bail pending trial unless the Attorney General of the province in which the person is being detained consents to the release of that person on bail.

In other words, it was at the discretion of the Attorney General to withhold or to grant bail. It was taken away from the court. The same thing obtains here. The discretion is left in the hands of the Attorney General. The reason the words "just cause" were added is to make clear that since we have the Bill of Rights, and since the words "bail shall be granted on just cause" appear, we have to use the same words to make that particular exclusion from the Canadian Bill of Rights, leaving the suspension of bail in the hands of the Attorney General. In other words, since bail must be granted under the Canadian Bill of Rights when just cause is apparent, the words "just cause" are repeated here to illustrate that the Attorney General has to say there is just cause for refusal.

The specific answer, then, to the hon. member's question is that the Attorney General will not have to state what the cause is; he will just state that in his opinion just cause exists. The words are inserted to make it clear that this is one of the exceptions to the application of the Bill of Rights.

Mr. Baldwin: Does the minister feel there should be a reason stated as to just cause? I understand the point the minister has made in respect of bringing in this provision as it affects the Bill of Rights, but is it the view of the minister that the "just cause" should be particularized? I am not suggesting it be given in great detail but perhaps some indication should be given. That is the point the minister might consider.

Mr. Turner (Ottawa-Carleton): Here again, the Attorney General of the province is the chief law enforcement officer and his responsibility in the exercise of his discretion is to the legislature and the people. He will have to substantiate this, but I would prefer to leave it in his discretion.

Mr. Baldwin: His "just cause" and yours might be different.

Mr. Stanfield: You could say that about anything.

The Chairman: Is the committee ready for the question?

Mr. Lewis: I just want to understand that we are merely voting on the alternative wording which the Parliamentary Secretary has moved and that this does not settle the discussion on clause 7.

The Chairman: The question is on the amendment now before the committee. Shall the amendment carry?

Amendment (Mr. Béchard) agreed to.

Mr. Gilbert: Mr. Chairman, I have an amendment in respect of the original wording of clause 7. However, since the Parliamentary Secretary moved an amendment which has changed the wording of clause 7, my amendment will have to be in accordance with the amendment just passed. The Chairman has a copy of my amendment. Just so we are clear in our own minds, I move

That clause 7(1) be amended by striking out all the words in the said clause after the words "pending his trial" in the third line thereof so that the said subclause will read:

"A person charged with an offence under section 4 shall be detained in custody without bail pending his trial unless an order for his release on bail is made by a court having jurisdiction under the Criminal Code".

In reconsidering my amendment, Mr. Chairman, I realize we would also have to strike out all the words in subclause 2. So that the Minister of Justice and his Parliamentary Secretary, as well as hon. members, are clear, we are striking out the words in subclause 1 after the words "pending his trial" and also all the words in subclause 2. I think that gives the meaning of the amendment.

The Chairman: Just so the Chair is clear, is the hon. member for Broadview amending the amendment that is now before the House by striking out all the words in subclause 2 of clause 7?

Mr. Gilbert: Yes, Mr. Chairman, together with the words I have mentioned in subclause 1.

The Chairman: I wonder if the hon. member would send his amendment to the Chair in writing. The Chair has an amendment in writing to subclause 1 and I understand that the hon. member also seeks to amend clause 7 by striking out subclause 2.

Mr. Gilbert: You are right, Mr. Chairman.

The Chairman: Perhaps the hon. member would give the Chair a note to the effect that subclause 2 is to be deleted. We would then be complying with the rules.

Mr. Gilbert: I will send it to the Chair in a moment. Prior to the passing of the regulations under the War Measures Act and the introduction of Bill C-181 it could be said without hesitation that the Minister of Justice was one of the most progressive reformers we have had in the House of Commons. When I think of the great work he did in respect of the official languages bill and the omnibus bill amending the Criminal Code, I realize he demonstrated an attitude of conciliation and flexibility.

The Chairman: Order, please. Before the committee rises, perhaps the Chair should put the amendment moved by the hon. member for Broadview. Does the committee agree that the amendment that has been placed before the committee be further amended by adding that subclause 2 of clause 7 of Bill C-181 be deleted?

Some hon. Members: Agreed.

The Chairman: The amendment now before the committee is in the following form:

That clause 7(1) be amended by striking out all the words in the said clause after the words "pending his trial" in the third line thereof so that the subclause will read:

"a person charged with an offence under section 4 shall be detained in custody without bail pending his trial unless an order for his release on bail is made by a court having jurisdiction under the Criminal Code"; and

That subclause 2 be deleted.

It being four o'clock, it is my duty to rise, report progress and request leave to sit again at the next sitting of the House.

Progress reported.

[Mr. Gilbert.]

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, might I be allowed to ask at this time what the business of the House will be on Monday? Having in mind that we have made rapid progress and appear to have dealt with one clause of this bill, I should like to know whether the government can give any indication of its intentions in regard to the business for Monday, Tuesday, Wednesday, and Thursday of next week.

Mr. Macdonald (Rosedale): Monday of which week, Mr. Speaker? The intention is that on Monday and Tuesday of next week, if necessary, we will continue with this particular bill. It would also be the intention, subject to discussion, to have the shirt surtax motion considered at an appropriate time and, as the next item following that, the bill in respect of statutory instruments.

• (4:00 p.m.)

Mr. McCleave: Mr. Speaker, may I ask a supplementary question of the acting House leader arising out of his reference to the statutory instruments bill? This motion in part provides that there be a committee of the House to deal with the matter. Is it the intention of the government to bring in at the same time a motion in respect of the establishing of that committee, since obviously it would save time if we debated the two matters together rather than separately.

Mr. Macdonald (Rosedale): Mr. Speaker, I have not been in touch with that question during the last several weeks. I would have to inquire of my colleague, the President of the Privy Council, in this regard. I would hope to be able to make that matter clear before we proceed with the bill.

Mr. Deputy Speaker: Order. It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, public bills.

PRIVATE MEMBERS' PUBLIC BILLS

REFERRAL OF BILLS IN NAME OF MR. STEWART (COCHRANE) TO STANDING COMMITTEE ON PRIVILEGES AND ELECTIONS

Mr. Deputy Speaker: On Friday, October 30, 1970, when the order for the consideration of Bill C-7, to amend the Canadian Commercial Corporation Act, was called, a point of order was raised by the Chair to the effect that the bill contained a money provision. Following consultation with the hon. member for Cochrane (Mr. Stewart) and other hon. members, it was thought desirable that some consideration might be given by a Standing Committee to the principle set forth in Bill C-7 and 37 other bills standing in the hon. member's name.

In order to meet that request it has been suggested that by unanimous consent of the House the financial provisions be struck from the several bills and that their

subject matter be referred to the Standing Committee on Privileges and Elections. If the House is willing to accept that proposal, I shall put the question. Is it agreed that I put the question?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is agreed that the hon. member for Cochrane shall have leave of the House to delete the financial provisions from the 38 bills standing on the Order Paper in his name and, by consent, to propose that the subject matter of those bills as amended stands referred to the Standing Committee on Privileges and Elections?

Mr. G. W. Baldwin (Peace River): Yes, Mr. Speaker, there will be unanimous agreement. However, I must say that while I appreciate the value of sending these particular bills to a committee, just as many excellent bills and motions have been introduced by hon. members on this side of the House. There must be an understanding that the full potential of the talent and knowledge which lies on this side of the House must be utilized, and that bills prepared by this party and by my friends to the left will also be considered. I hope in this regard there will be that degree of consultation which, when it takes place, makes this House move so smoothly and efficiently.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we are prepared to agree to the suggestion made from the Chair, namely, that these 38 bills have the necessary correction made to them and that the subject matter thereof be referred to the Standing Committee that has been indicated. I join the hon. member for Peace River (Mr. Baldwin) in the sentiments he has expressed. It seems to me that if we are prepared to send 38 bills which are improperly drawn to a committee, we ought to be prepared to send to a committee some of our bills which have been properly drawn.

Mr. Deputy Speaker: Is there unanimous consent to the proposal which the Chair has put?

Some hon. Members: Agreed.

Mr. Deputy Speaker: In fulfilment of that order of the House, the bills affected will be removed from the Order Paper. The bills to be amended and the subject matter thereof to be referred to the Standing Committee on Privileges and Elections are as follows: C-7, C-10, C-11, C-17, C-18, C-29, C-31, C-35, C-37, C-43, C-48, C-57, C-58, C-60, C-74, C-78, C-79, C-80, C-81, C-84, C-89, C-91, C-92, C-98, C-114, C-116, C-119, C-122, C-123, C-126, C-142, C-145, C-147, C-152, C-153, C-154, C-160 and C-164.

* * *

CANADA ELECTIONS ACT

QUALIFICATIONS OF ELECTORS AND CANDIDATES

On the order:

Second reading and reference to the Standing Committee on Privileges and Elections of Bill C-12, An Act to amend the Canada Elections Act (qualifications of electors and candidates) —Mr. Stewart (Cochrane).

Mr. Stewart (Cochrane): Mr. Speaker, I rise on a point of order. I should like to suggest that this bill be removed from the Order Paper. It was placed there in error, having been debated during the last session and the Canada Elections Act having been changed accordingly. Therefore, the motion no longer has any meaning.

I should like to express my appreciation to the Chair for arriving at a solution regarding the bills standing in my name. I also express my appreciation to the House for agreeing to send them to the committee.

Mr. Deputy Speaker: The hon. member for Cochrane has requested that the bill referred to be dropped from the Order Paper. Is it agreed?

Some hon. Members: Agreed.

Order discharged and bill withdrawn.

* * *

GOVERNMENT ADMINISTRATION

PUBLIC DISCLOSURE OF ADMINISTRATIVE DOCUMENTS AND INFORMATION

Mr. Barry Mather (Surrey) moved that Bill C-15, to better assure the public's rights to freedom of access to public documents and information about government administration (administrative disclosure), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, this is the third time this bill has come up during recent years. I am hopeful that the third time will be lucky not only so far as the bill is concerned but also so far as the public is concerned. In brief, as outlined in the explanatory note, this bill is in aid of the public's right to know in what manner a government is administering the public duties entrusted and delegated to it by the people: save for exceptions that are in the public interest, the bill enacts Bentham's basic parliamentary rule that public affairs must be conducted publicly. The bill would seek to do that—I quote from clause 1—by requiring the following:

> Every administrative or ministerial commission, power and authority shall make its records and information concerning its doings available to any person at his request in reasonable manner and time.

• (4:10 p.m.)

There would be certain exceptions to that principle: those records affecting national security, those affecting or concerning matters that are exempted from disclosure by statute, those concerning trade secrets, commercial and financial matters of a privileged or confidential nature obtained from private persons and, finally, those that concern any private matter of private interest to the degree that the right to personal privacy excludes the public interest.

The measure puts into words, which I hope will some day become law, the basic parliamentary democratic principle that public affairs must be conducted publicly. It seems to me rather incongruous that according to

recent public information figures, close to $150 million a year is being expended on circulating the type of information which the government wants placed in the hands of the public.

Many motions are put on the Order Paper of the House by private members representing many thousands of Canadians, calling in vain for the production of the type of information which the government from time to time denies and which the public wants. I would point out in passing that we have established a new agency called Information Canada, and in my opinion this new agency is about to add to the cost or circulating what is basically pro-federal government information by setting up a considerable number of information centres across Canada.

I wonder if instead of placing this additional cost on the taxpayers of establishing new information centres for the public, thought should not be given to integrating Information Canada centres with those already long established, that is, the public libraries in Canada. Considerable expenditure could be reduced, and efficiency improved, by adding a desk or two and a telephone to existing public libraries in order to meet additional services provided to the public by Information Canada.

A great deal has been published over recent years on the general subject of the public right to know and to obtain information in the possession of the government and its agencies. I would quote one article on that subject from the Toronto *Globe and Mail*. It is an editorial written in support of the bill that I am putting forward. I think it was written about two years ago when the bill was up for discussion the second time. I think the situation has not changed since the editorial was written. It reads in part as follows:

> One bad side effect of the prodigious growth of government in this century is that it has become exceedingly difficult to keep track of. Not only are governments themselves much more deeply and widely involved in the life of the people, but their tasks have become so numerous that they have had to delegate much of their authority to boards and commissions. Accompanying this governmental growth has been a disinclination on the part of governments and their creatures to keep the public informed about what they are doing.
>
> A private bill—

That is the bill we are now going to discuss

> —has been presented to the House of Commons which could do much to open these many closed doors and keep the public informed about what is, after all, its own business.

The editorial goes on to quote what I have already read from the bill in regard to its aims and restrictions. I have no wish to take up the time of the House unnecessarily by further speaking on this measure. I believe that the general principle of the bill, which is simply that the public should have better and quicker access to public information at the federal level, has a considerable measure of support among all parties in the House. I hope that as we earlier agreed to send other bills to a committee, we will consider sending the subject matter of this proposal to an appropriate committee for detailed consideration. If so, I think the most appropriate would be the Committee on Justice and Legal Affairs.

[Mr. Mather.]

If the subject matter of the bill becomes law, the enforcing agency should be the Exchequer Court, which is now the new Federal Court of Canada. I think that urging that action be taken on this proposal is pretty well in line with the sentiments expressed by government leaders, by opposition members and by the press in different sections of the community.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I will say just a few words in support of the motion to send this bill to a committee. I hope that before five o'clock has arrived the leaders of the government side, having in mind the very generous disposition we have already made of the bills of the hon. member for Cochrane (Mr. Stewart), will think of this as being the first opportunity—I think I can say this, not being a member of the party of the hon. member for Surrey (Mr. Mather)—and an excellent example with which to start that form of reciprocity which we need here.

First I want to comment on what the hon. member for Surrey said about Information Canada, because it seems to me that if we are to get this form of freedom to information, the right of the public to know, we have to establish it firmly and decisively before Information Canada reaches its full growth. It is now pretty young in terms of years but it is assuming rather gargantuan and very alarming proportions.

I was told during the course of a discussion within the last two days that all the problems which Members of Parliament are having in securing replies to written questions on the Order Paper will soon pass because it will be possible to secure within 24 hours answers from Information Canada to any questions. I was told that this information came from a very reliable authority, directly from Information Canada. This is the kind of Frankenstein which we may well be building here.

This means that if the kind of freedom that we need for the public of Canada, in respect of information which the government has, is not secured in the form of this bill or other proposals before Information Canada reaches its full growth, it will be too late because we will be in a situation where there will be an orchestration of information, and ministerial and departmental discretion as to what information is made availabe. We will then be in a lot of trouble. There will then be a form of despotism which now exists with regard to other matters of information. The right to know is the basis of any democratic process. Without that knowledge being available to the public and the members of this House, where are we?

I have some very strong authorities for my view. I am very sorry to see the Minister of Justice (Mr. Turner) has left. However, his Parliamentary Secretary is here. I quote the words of the Minister of Justice, which I do not often do. The Parliamentary Secretary may pass this information on to the minister. On September 2, 1969, the Minister of Justice made a speech on twin freedoms—the right to privacy and the right to know, both of which

freedoms are getting quite a battering in the discussion of Bill C-181. Here is what the minister said in part:

• (4:20 p.m.)

Government secrecy...may well be a denial of the public right to know. If individual privacy is a foundation of democracy, the citizen's right to know is fundamental to any participatory democracy. The public cannot be expected to dialogue meaningfully—still less decide—if it is refused the very information which would make such a dialogue and decision-making possible.

I have a feeling that the Minister of Justice might find it a little more difficult to go out and make that sort of speech today and be believed. We had another eminent authority, the right hon. Prime Minister (Mr. Trudeau), before he succumbed to public life and when he was still all for participatory democracy, freedom of information, freedom of gatherings, and held strong views about civil liberties which he cherished so much. He made a statement on this subject a number of years ago. I do not know the exact number of years, but it appeared in that famous Montreal periodical *Cité Libre*. He took a very strong stand on the need for true and complete information. At that time he was dealing only with Quebec politics. He had not been saturated with Canadian national politics. He had not made that mental adjustment which he seems to have made so forcefully, that 180 degrees about-face in his thinking.

Some hon. Members: Oh, oh!

Mr. Baldwin: I suggest to hon. members that it is much better to approach a subject of this kind with an open mind rather than an open mouth. I ask hon. members on the other side to fall silent and listen with open worship and admiration to these comments of their great leader. This is what he said:

Democratic progress requires the ready availability of true and complete information.

Mr. McBride: That is why we set up Information Canada.

Mr. Baldwin: I hate to interrupt the right hon. Prime Minister when he is speaking in this House, and I even hate to interrupt his thoughts when reading them on paper. But if the right hon. gentleman's idea of freedom of information is envisaged as Information Canada, he has a long way to travel.

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

Mr. Baldwin: May I please finish what your great and noble leader said? Perhaps when I have quoted him the hon. member may have lost the need to ask his question. Again I quote:

Democratic progress requires the ready availability of true and complete information. In this way, the people can objectively evaluate their government's policies.

I am sorry I have to laugh, Mr. Speaker. Here is the final paragraph in that quotation:

To act otherwise is to give way to despotic secrecy.

Now, if the hon. gentleman has a question I am quite prepared to listen to it.

Mr. Gibson: Do you not think that setting up Information Canada and going slowly with it—not rushing in with a great big, fast, hastily organized pattern—so that all departments can integrate into the plan is a better way of doing it, rather than rushing into a hastily ill-conceived plan?

Mr. Baldwin: I would agree. I would never want to accuse the government of rushing into anything.

Mr. Gibson: What about the War Measures Act?

Mr. Baldwin: The approach of the Prime Minister and of the Minister of Finance (Mr. Benson) does not indicate that they are rushing with any degree of dispatch to deal with problems of unemployment. I suppose that is an assumption, but I say to the hon. member who asked me the question that certainly it is susceptible to that interpretation. But knowing the government, how it operates, its disposition to autocracy and secrecy, its refusal to give this House and the people of Canada the facts to which they are entitled, does not lead me to have confidence that its intentions with regard to Information Canada are strictly honourable. I have this feeling about it and I hope I am wrong. I would love to be able to stand up here a year from now and say how wrong I was, but that is one thing I know I will not have to say.

Mr. Gibson: Open your mind.

Mr. Baldwin: We have enjoyed these interruptions, Mr. Speaker. I have enjoyed them, but they were not very knowledgeable. The best alternative to knowledge is to keep quiet, listen and learn. The problem is present. To a great many people in Canada, Parliament and the processes of democracy are becoming increasingly irrevelant. The movement to violence is really the ultimate in that particular aspect of human relationship.

I am very serious when I say that the people of Canada and those of many other democratic countries are beginning to despair that they will ever secure from a combination of the democratic process and their system of government the type of needful reforms which are essential so they can say that progress is being made, that it may not be coming as fast as they would like but they are prepared to do their thing within the four corners of the democratic process. However, Mr. Speaker, that is not happening. I do not accept the view that progress is not being made with these things democratically. However, there is great justification for the feeling of many people in the United States, Canada, and the United Kingdom that we are not doing the things we should do and that people are not being told the facts they should

be told. They have a desperate urge to find out what the facts are and then to see what might be done about them. In that sense the views expressed by the hon. member for Surrey have my complete support.

I am not going to take much more time, Mr. Speaker. This is a large subject: I would like at some time to introduce a bill or private member's notice of motion dealing with it. Looking at hon. members opposite, I am sure they agree that there is a need to explore this subject. I am sure they would not disagree with me if I said to them that surely there must be many occasions when in their view the type of information, the extent of the information and the manner in which it has been made available has been unsatisfactory. Surely they have talked about this to members of the press whose duty it is to find out what the facts are and to report them efficiently and effectively.

I would say that in private conversation with hon. members opposite none of them would disagree with my assessment of the situation with respect to trying to secure information from the government and government departments. It is part of the process that government departments become large monoliths. Administrators are not evil or corrupt men, but there is a tendency to hide mistakes, to cover up errors that are made. There is a tendency to try to put the best face forward in any matter which has been the subject of government intervention. They are simply being human beings when they act in that way. But it is our job, on behalf of the people of Canada, to press the government for more information.

We are not getting all the information we require. I think there should be such a declaration by the House in the form of acceptance of this bill. The subject matter of the bill should be sent to a committee. Surely hon. members opposite agree that it would be a very useful exercise to have a committee formed to study this whole aspect of public information. Some years ago the United States passed what was called the freedom of information bill. That bill has had some effect, but I have talked to friends of mine in the United States Senate and Congress and they say substantial changes will have to be made to it. I have talked to members of the press over there who agree with this. There is some movement in the United Kingdom to improve matters in this respect. They have made slight progress there. But this country, this government has done nothing.

Mr. Gibson: What about Information Canada?

Mr. Baldwin: Nonsense. There is one other aspect about the matter, Mr. Speaker, and that is that if we decide to send the hon. member's bill to committee, we ought to have a bill with teeth in it. In the United States there is a provision that anyone who seeks information and is not granted it has the right of access to a court. However, I am told this is highly unsatisfactory and it is something that we would have to look into here.

After listening to the comments of backbenchers on the other side, I am not too hopeful, but surely they have a vested interest in acquiring this information and seeing that pressure is put upon the government to make it available. Their comments would seem to indicate that they are quite happy with the present situation. If that is their view, we can expect that the government is not inclined to go along with the changes we want.

• (4:30 p.m.)

I would therefore suggest, Mr. Speaker, that hon. members ponder, reflect and review their thinking. Failure to take action at this time to compel the government to make available facts and information which are required, within reasonable limits, will bring about a further deterioration of the limited democracy we now enjoy.

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, there is not much time left so I shall not spend too long on this bill. I was somewhat surprised at the comments of the hon. member for Peace River (Mr. Baldwin) about backbenchers failing to get information. When Liberal backbenchers want information they go to the source. Sometimes it can be secured merely by picking up the telephone. The information can then be passed back to the constituent in the riding. This method does not get much publicity but it does not cost as much to get it that way as it does by putting it on the Order Paper.

It was demonstrated in the question period today that Liberal backbenchers take second place to no one—

Some hon. Members: Hear, hear!

Mr. Cullen: —in the calibre and quality of questions asked to get the kind of information that people in Canada want.

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

Mr. Cullen: I would prefer the hon. member to listen. I had expected to be speaking today on the Sir John A. Macdonald Day bill.

Mr. Baldwin: On a point of order, Mr. Speaker, in no way had I intended to challenge the calibre and nature of the questioning. It is the calibre and nature of the answers that has always worried me.

Some hon. Members: Hear, hear!

Mr. Cullen: I do not think that Liberal backbenchers can be blamed for that. Back in the lobby after the question period I did not hear any complaints from them about the quality of the answers they received. I am afraid the fact is that opposition members do not listen to the answers. The hon. member who introduced Bill C-15 stated that this is the third time he has brought it forward. It seems to me that having lost out on two former occasions he should not quit, although he seems to follow eighteenth or nineteenth century motto, "If at first you don't succeed, try, try again." I would suggest, instead, that if at first you don't succeed, try another method.

I suspect that the two bills already rejected by this House contained the same wording as the bill before us today. I read the bill from a somewhat jaundiced point of view. I wish the hon. member had consulted an attorney about the manner in which it should be drawn. If he had done this it would probably have been suggested that he scrap the bill and incorporate the explanatory note which makes more sense and, I think, says what the hon. member wished to say. This being a bilingual country, I would say:

[*Translation*]

This bill is in aid of the public's right to know in what manner a government is administering the public duties entrusted and delegated to it by the people: save for exceptions that are in the public interest, the bill enacts Bentham's basic parliamentary Rule that public affairs must be conducted publicly.

[*English*]

I think that clearly says what the hon. member intended. As I read the bill, it seems to say that this is an act to better assure the public's right to freedom of access to public documents and information about government administration. If I may paraphrase, clause 1 of the bill says that the government shall make its records and information concerning its doings available to any person, at his request, in a reasonable manner and time. If the hon. member had stopped there, the bill might have been all right. As one who practised criminal law, I know that when we look at the Criminal Code we always try to find defences in the section itself before we get to the facts: we always go to the legislation first. So when I look at clause 2, the exceptions mentioned by the hon. member take away any teeth in clause 1. Not only do we have one exception, but he has in effect four exceptions to that which he is suggesting in clause 1. One could almost take judicial notice of the first exception:

(a) affecting national security;

The second exception is:

(b) concerning matters that are exempted by statute from disclosure;

This could surely be achieved by statutory legislation. The next exception is:

(c) concerning trade secrets, and commercial or financial matters of a privileged or confidential nature, obtained from private persons;

Clause 2 (d) is even more all-powerful in defeating clause 1, because it says:

(d) concerning any matter of private interest to the degree that the right to personal privacy excludes the public interest.

Mr. Speaker, armed with that piece of legislation, if an officer of the Crown could not bring himself within clause 2(a) (b) or (c) in response to a request for information, he could surely argue that under clause 2 (d) he has hardly to reveal any information to an individual.

Mr. Barnett: Mr. Speaker, would the hon. member permit a question?

Mr. Cullen: I hope it is a question about the Sir John A. Macdonald bill. I am better prepared for that.

Mr. Barnett: Mr. Speaker, has the hon. member noted that the bill under discussion in regard to which he has enumerated these four exceptions, makes no reference to any exception in the area sometimes referred to in this House as the prerogative of the Crown to withhold information at their discretion? It seems to me that the hon. member is losing sight of the distinction between private persons and the public person represented by the Crown.

Mr. Cullen: Mr. Speaker, I had almost eight years of training at university and law school and 12 years of practice in the law, and I think I recognize the distinction. The hon. member has pointed out the weakness that occurs in clause 2(d). Ministers of the Crown have the intelligence to decide what is and what is not in the public interest. The hon. member has a point, but I think clause 2(d) defeats the purpose of the bill. Without it the bill might have been a better piece of legislation. It might have been able to bring forth from the cabinet the kind of information that the hon. member is seeking to have disclosed.

For that reason I would have to vote against the bill, Mr. Speaker, primarily because it is not consistent. I do not think it is particularly well drawn and, as I said, the explanatory note covers the ground much better. Certainly clause 1 covers the ground much better, without the addition of clause 2. This one is typical of some of the bills that are presented by the opposition. It seems to be saying that we ought to be doing something which in fact is being done. The information that members want is available. It is available through the oral question period, through written questions on the Order Paper and through notices of motions for the production of papers. I think I am right in saying that there are at least 154 requests for information on the Order Paper.

• (4:40 p.m.)

Members have access to ministers. These men are not hidden in ivory towers. Ministers are accessible and I have never found it difficult to obtain answers. Sometimes hon. members are confused because the answer is no and does not agree with their point of view. Perhaps that is why this legislation has been brought forward, because it tends to indicate to the public that something suspicious is taking place, which of course is not the case. The explanatory note and clause 1 have merit. However, I shall be forced to vote against the measure, primarily because clause 2 takes away from the bill whatever merit it may have contained.

Mr. Mather: Mr. Speaker, before the hon. member resumes his seat, may I ask him a question? I believe I am right in thinking that he favours the principle of the bill but he has difficulty with its details. If that is the case, does he not favour sending the subject matter of the bill to a committee, say the Standing Committee on Justice and Legal Affairs, where he and others could improve it?

Mr. Cullen: Mr. Speaker, I agree with the principle of the bill, but I do not think the bill is even necessary. It seems to me that we have access to information now. Surely clause 2 (a), (b), (c) and (d) add nothing to the circumstances that now exist. If you want information, it is available, with the exception of the matters set out by the hon. member in clause 2 of the bill.

Disclosure of Government Information

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): Mr. Speaker, like the hon. member for Sarnia (Mr. Cullen), I came here primarily prepared to discuss the merits or demerits of Sir John A. Macdonald Day. I think it demonstrates the tremendous flexibility hon. members on this side of the House possess, that changes in the matters to be discussed as listed on the Order Paper do not interfere with the speeches we make.

Some hon. Members: Hear, hear!

Mr. Faulkner: Our interest in Sir John A. Macdonald demonstrates the rather non-partisan approach that we have taken to politics on this side of the House.

I was interested in the comments of the hon. member for Peace River (Mr. Baldwin) and the hon. member for Surrey (Mr. Mather). It seems to me that where I would essentially disagree with the hon. member for Peace River is that his concern is almost exclusively a concern for more information or greater access to information for Members of Parliament. It seems to me that we are a very small group, and that if there is a problem in this area, and I think there is, it is not a problem of any magnitude or seriousness. The problem really is a matter of access to information at the general public's level. In so far as I can understand the purport of this bill—I share the view of the hon. member for Sarnia—I think the explanatory note is probably the clearest part because it seems to attempt to deal with this particular problem.

Even if we accept this as being something that we can usefully do in this House, that is, make information more generally available to the public, it does not go far enough. The greatest improvement regarding the general problem of public participation in public affairs can best be brought about by providing enough information to enable intelligent participation on the part of the public. If that is to take place, far more radical changes than this bill offers will have to take place, and far more radical developments will have to be undertaken involving public financing of experimental organizations for citizen groups. When that happens and we get the response, when there are citizens groups so formed, with the federal government involved in financing some of these projects, we shall see the true measure of concern shared by this House with regard to meaningful participation by citizens of our country in the political process.

Mr. Reid: Pure hogwash.

Mr. Faulkner: The hon. member for Kenora-Rainy River (Mr. Reid) says it is hogwash.

Mr. Baldwin: He took the words out of my mouth.

Mr. Faulkner: Probably that is the finest contribution the hon. member has made for a long time in this House.

Some hon. Members: Hear, hear!

[Mr. Cullen.]

Mr. Faulkner: I contend that if before now citizens groups have not developed in Kenora-Rainy River, after hearing the hon. member's remark they will.

Some hon. Members: Hear, hear!

Mr. Reid: More hogwash.

Mr. Faulkner: At least the hon. member is consistent. The traditional pattern in this country and in almost all other countries has been that the electoral system has sort of thrown up a group of individuals through the electoral process who, somehow, feel themselves charged with governing this country but really, without reference except in a most cursory and superficial way, to the public at large. These individuals operate with the technocrats who have made their way through the public service through the various examination processes and, together, as a sort of elite operation things are run. That is going to change.

Mr. Reid: We do not do it very well.

Mr. Faulkner: The hon. member for Kenora-Rainy River who is making a speech by way of asides now has added that we do not do it very well. I disagree. In terms of making this concept operate, we have been successful. The problem with the system is that it does not involve the public in a meaningful way in the decision-making process. I will deal with that matter. This bill is inadequate in that way as well as being inadequate in ways in which hon. members have discussed. Its inadequacies lie in the fact that it does not deal with this fundamental problem. It does not go far enough.

There is, first of all, the right to know. I think Information Canada, despite the rather cynical reception it has been given by the opposition, is an important step in the right direction and no doubt will make a contribution and constitute an improvement.

Mr. Baldwin: It is not a step in the right direction; it is a plunge.

Mr. Faulkner: I submit it is an important step in the right direction. I am prepared to watch it carefully, because I think everyone on this side of the House will agree that it is the type of operation which can be open to abuse.

Some hon. Members: Hear, hear!

Mr. Faulkner: Yet I think the concept is right. I do not know how many hon. members have been to see the new offices on Slater Street. Information facilities are available there, and what is being attempted is a constructive and positive step in providing the public with information so that the public can intelligently respond to the political problems confronting it. A characteristic of

politics in this country in the past has been the reluctance to involve the public in an open, frank and full way in the problems and with the information which we have.

Mr. Baldwin: The hon. member must not forget to use the word "fruitful".

Mr. Faulkner: It has been suggested to me that governments in the past—I am not being critical of this government because it, as well as the government headed by former Prime Minister Pearson, have gone a long way toward improving this situation—have not gone far enough in this area. Certainly, we have brought about improvements to involve the public and I think this is an important development in the democratic process. Yet in some ways the democratic process, which we have been talking about and which we have extolled in our schools and universities has been somewhat fraudulent. It has been a representative system which has had certain democratic features to it. But, really, fundamental democratic features have not been present—democratic features which involve the public at large.

I am talking of the public working in a meaningful way to supplement the activities of Members of Parliament. Therefore, I say that the right to know is basic, but the bill does not go far enough. Whether we like it or not —and I like it—we are moving into a situation wherein the right of access to decision-making is a right which the public at large will expect to have. We want to develop the machinery, if you like, to accomplish this end.

• (4:50 p.m.)

To its credit, this government through a variety of programs administered by the Department of National Health and Welfare, the Secretary of State and the Department of Manpower and Immigration, has been involved in this field by helping to finance the formation of citizens groups. These groups have challenged the representatives of the people at provincial, municipal and federal levels. These confrontations have at times been tough; they have called into question the priorities, the competence and the sincerity of those who were publicly elected. Nevertheless, this protest is a form of therapy which in my view is tremendously healthy for our country.

As I see it, the government will become increasingly involved in financing citizens groups of this type—whether tenants groups, or welfare groups does not matter; I have in mind groups of citizens formed to advance their particular interests. The institutions we presently have are totally inadequate to accommodate this kind of movement. Senator Croll has called attention to these developments in the course of recent comments and we now have to address ourselves to the question: What should be the relationship between the representative system to which we are accustomed and these extraparliamentary groups? If we stand always as protagonists, as those to whom these people must constantly address themselves as adversaries, the representative system will suffer. But if we can find a way of accommodating citizens groups—I do not mean "conning" them, but accommodating them—certain benefits are bound to follow.

The right of participation is a right in itself in a true democracy, but beyond this citizen participation has its own merits; it provides a check against technocratic decisions arrived at by elected representatives in conjunction with civil servants of university backgrounds who can in no way deeply understand or respond to the problems the citizens of this country generally face. In addition, the whole process of participation does in itself provide a sense of worth which citizens otherwise would not feel because they sense themselves to be alienated from the democratic process; only on rare occasions do they put anything into it at all. We should project the principle of involvement to a point at which all citizens, however humble, have a real involvement in decision-making. this would make the system more truly democratic than it is at present and help develop a sense of community in the country as a whole, which at present is lacking.

Mr. Bell: May I ask the Parliamentary Secretary a question, as one who is interested in this subject and who has just come from a luncheon in which one speaker representing the department tried to explain Information Canada? Can the Parliamentary Secretary tell us whether he honestly believes that in this new type of response to government publications, for example, by newspapers across Canada, the government will give the same publicity to views which are unfavourable as it will to views which are favourable?

Mr. Faulkner: I am surprised the hon. member should have any doubts on that score at all.

Some hon. Members: Oh, oh!

Mr. Baldwin: He has not.

Mr. Faulkner: I personally have none whatever.

Mr. Bell: I will check a year from now.

Mr. Murray McBride (Lanark-Renfrew-Carleton): Mr. Speaker, since we have only a minute or two left I shall quickly put one or two thoughts on record and then defer in case hon. members wish to bring this bill to a vote. The hon. member for Surrey (Mr. Mather) is a consistent gentleman; he keeps coming back with the same bill. I had intended to comment on the first part of the measure, but my hon. friend from Sarnia-Lambton (Mr. Cullen) has already covered that ground so well that I will now refrain from doing so.

The hon. member for Surrey told us he had been singularly unsuccessful on the two previous occasions on which he had presented this legislation. He has now brought it back on Friday the 13th, an inauspicious date which cannot be a particularly favourable omen. He is a

brave man and should be congratulated for fearlessly tempting fate in this way. I think I must put on record one quotation by a famous Canadian who is now a professor at Harvard. He is a graduate from the same institution as that from which I hold a degree. Even the hon. member sitting across the way has one.

An hon. Member: Well, who is he?

Mr. McBride: The man is Mr. Galbraith. He said: "Consistency is what freezes us to our error." Perhaps this could be interpreted in such a way as to apply to the hon. member for Surrey, and perhaps he ought to try another move as recommended to him by my hon. friend from Sarnia-Lambton.

Mr. Deputy Speaker: Order. The hour provided for Private Members' business has now expired. It being five o'clock, this House stands adjourned until Monday afternoon at 2 p.m., pursuant to Standing Order 2(1).

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

HOUSE OF COMMONS

Monday, November 16, 1970

The House met at 2 p.m.

ROUTINE PROCEEDINGS

AUDITOR GENERAL ACT

MEASURE RESPECTING APPOINTMENT, SALARY AND DUTIES

Hon. H. A. Olson (for the President of the Treasury Board) moved for leave to introduce Bill C-190, respecting the Auditor General of Canada.

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

* * *

FARM IMPROVEMENT, SMALL BUSINESSES AND FISHERIES IMPROVEMENT LOANS ACTS

AMENDMENT PROVIDING ADDITIONAL THREE YEAR LOAN PERIOD

Hon. H. A. Olson (for the Minister of Finance) moved for leave to introduce Bill C-191, to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act.

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

* * *

YOUNG OFFENDERS ACT

PROVISIONS DEALING WITH CHILDREN AND YOUNG PERSONS

Hon. G. J. McIlraith (Solicitor General) moved for leave to introduce Bill C-192, respecting young offenders and to repeal the Juvenile Delinquents Act.

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

* * *

NORTHERN CANADA POWER COMMISSION ACT

AMENDMENTS RESPECTING MEMBERS, FUNDS FOR INVESTIGATION OF PROJECTS, ADVANCES FOR CAPITAL EXPENDITURES

Hon. H. A. Olson (for the Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-193, to amend the Northern Canada Power Commission Act.

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

* * *

FISHERIES ACT

AMENDMENT RESPECTING HEREDITARY RIGHT OF INDIANS TO CATCH FISH FOR FOOD

Mr. Frank Howard (Skeena) moved for leave to introduce Bill C-194, to amend the Fisheries Act.

Some hon. Members: Explain.

Mr. Howard (Skeena): Mr. Speaker, in spite of the fact that in September of 1969 the Prime Minister rejected the idea of Indians having hereditary or aboriginal rights, Parliament unanimously recognized one aspect of such rights during the last session when it amended the Fisheries Act to provide that the right of Indians to harvest marine plants for food would not be infringed upon. This bill seeks a further and similar declaration by Parliament and asks Parliament to recognize the hereditary and aboriginal rights of the Indians to catch fish for food.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

GRANT TO DANIEL GASBARRINI, PETER SINICROPE AND GEORGE BUSCEMI

Question No. 13—**Mr. Rowland:**

1. Has the government provided a regional development grant in 1968 to Daniel Gasbarrini, Peter Sinicrope and George Buscemi regarding the establishment of a plant of the Atlas Reels Ltd. and, if so, what funds were provided and over what period of time?

2. Was the grant later terminated and, if so, for what reasons?

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. No, but under the Area Development Incentives Act, a payment of 31,382.40 was made to Atlas Reels Ltd. on September 26, 1968.

2. Yes, because the plant was closed and the assets were seized by the Industrial Development Bank.

Questions

UNEMPLOYMENT INSURANCE COMMISSION—HIRING OF PART-TIME EMPLOYEES

Question No. 14—**Mr. Godin:**

1. Does the government hire part-time employees in rural ridings to help workers in preparing their applications for unemployment benefits and, if so, what are the names and addresses of these persons in the constituencies of Portneuf, Champlain and Québec-Montmorency?

2. How are these persons remunerated?

Hon. Bryce Mackasey (Minister of Labour): 1. Yes.

Name	Address
Mrs. Jacqueline Grosleau	St-Tite, County of Champlain.
Mrs. Louis Kupfer	Beaupré, Quebec-Montmorency.
Nil	County of Portneuf.

2. The rate of remuneration is $1.50 for each application completed.

BARLEY SALES 1969-1970

Question No. 24—**Mr. Thomson:**

1. What countries purchased barley from Canada in 1969-1970?

2. What were the amounts?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports: 1 and 2. Exports of barley by country as reported in DBS catalogue 65-004 "Trade of Canada—Exports by Commodities" are shown on the following table for the calendar year 1969 and January through August 1970.

Exports of Barley (DBS class 61-19) for the calendar years 1969 & 1970 (to date)

Country	Year—1969 Quantity (Bu.)[1]	Value ($'000)	January-August—1970 (cwt.)[1]	($'000)
United Kingdom	14,369,797	13,960	5,214,936	10,540
Israel	2,729,863	2,637	461,052	982
Tunisia	421,300	408	2,650,870	5,043
Japan	4,318,108	3,729	4,643,596	8,835
Korea, South	3,333	8	66,970	124
U.S. Oceania	249,467	247	13,056	19
Brazil	1,534	4	2,897,874	5,192
Colombia	551,150	632	1,247,851	2,321
Peru	147,000	132	252,934	473
Venezuela	4,394	8	6,511,004	11,747
Trinidad-Tobago	42	—[2]	689,830	1,254
Panama	2,293	3	552,288	965
United States	7,383,397	8,659	204,996	360
			594,272	1,449
			59,584	152
			940	3
			840	2
			3,520,118	8,352
Total	30,181,678	30,427	29,583,011	57,813

[1]Note that quantity was reported in bushels in 1969 and in hundredweight in 1970. Conversion factor—bushels to cwt.: per bushel—barley .48 cwt.

[2]Value under $500.

CANADA COUNCIL GRANTS TO JOHN C. LEGGETT

Question No. 29—**Mr. Paproski:**

1. Has the Canada Council awarded a grant or grants to John C. Leggett of Vancouver?

2. What is the total amount of Canada Council grants awarded to John C. Leggett to date?

3. For what purpose were Canada Council grants awarded to John C. Leggett?

4. Was the said John C. Leggett, at the time of the awards, an assistant sociology professor at Simon Fraser University?

5. Is John C. Leggett still teaching at Simon Fraser University and, if not, for what reason?

6. Was he ever suspended from his teaching functions and, if so, for what reason?

7. Is the said John C. Leggett a Canadian citizen and, if not (a) what was his country of origin (b) at what institutions did he teach prior to coming to Canada and for how long?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canada Council as follows: 1. Yes.

2. $24,500 over three fiscal years.

3. To pay the direct costs of research assistants, interviewers, coding information and clerical assistance for survey research on class consciousness of blue collar workers in Vancouver area electoral ridings. (The Council's research grants do not include any remuneration of the researcher.)

4. Dr. Leggett was associate professor at Simon Fraser University when he was awarded an initial grant in 1968. However, his contract with the university had expired by October 1, 1970, when he was awarded a terminal Canada Council grant of $5,000 to enable him to complete the project in which the Council had already invested $19,500.

5. See 4.

6. Yes. While aware of the suspension of Dr. Leggett from his teaching duties, the Canada Council was satisfied that the research was proceeding according to the terms of the grant.

7. No. (a) the United States. (b) Before Prof. Leggett took up his teaching position at Simon Fraser University, in August, 1966, he had held full-time teaching positions at the University of Michigan and at the University of California at Berkeley continuously from September, 1961.

[*English*]

GROSS NATIONAL PRODUCT

Question No. 32—**Mr. Mather:**

1. What is the current gross national product?
2. What is the current gross national product in 1949 dollar terms?
3. What was the gross national product in 1949?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports that: 1. In the second quarter of 1970, the gross national product, seasonally adjusted at annual rates, is $83,192,000,000.

2. The constant dollar estimates of gross national product have been rebased to 1961 and therefore estimates in 1949 dollar terms are not available. In constant 1961 dollars, the gross national product for the second quarter of 1970, seasonally adjusted at annual rates, is $62,664,000,000.

3. In 1949, the gross national product was $16,300,000,000. In 1961, the gross national product was $39,080,000,000.

*REMOVAL OF COAT OF ARMS FROM MINISTERIAL STATIONERY

Question No. 39—**Mr. Diefenbaker:**

1. How many Ministers of the Crown (a) have had (b) are in the process of bringing about the removal of the Coat of Arms from Departmental or Ministerial stationery?
2. What are the portfolios of such Ministers?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the stationery of the Ministers of Consumer and Corporate Affairs, Industry, Trade and Commerce, Labour and Regional Economic Expansion, have their own departmental symbols on their letterhead. The stationery of the President of the Treasury Board has the official seal of the Treasury Board as granted by the Queen. All other Ministers of the Crown at present have the Canadian Coat of Arms on their letterheads. There will be changes in the stationery as described by the Hon. Robert L. Stanfield in his statement in the House of Commons on October 23, 1970, *Hansard* page 507.

Editor's Note: See Hansard Nov. 18, page 1275 for correction by Hon. Robert L. Stanfield.

*LEASE OF LAND IN CAUGHNAWAGA INDIAN RESERVE

Question No. 47—**Mr. Howard (Skeena):**

1. Since January 1, 1970, has any land of the Caughnawaga Indian Reserve been leased and, if so, with respect to each such lease, what is (a) the name and address of the lessee (b) the acreage of land (c) the use to which the land will be put (d) the term of the lease (e) the rental or lease fees payable?
2. Is the government prepared to table the said leases in the House?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the answer to the first part of the question is yes. However, further information in this regard cannot be revealed without the express consent of the Caughnawaga Band Council and their lessee. Since lease arrangements constitute a confidential landlord-tenant relationship, it would be a breach of confidence to divulge the terms of such agreements.

The answer to the second part of the question is no.

HOME IMPROVEMENT LOANS

Question No. 75—**Mrs. MacInnis:**

1. For the fiscal year ended March 31, 1970, how many Home Improvement Loans were made under Section 24 of the National Housing Act?
2. How many applications for such loans were refused during the same period?
3. What are the terms under which the Central Mortgage and Housing Corporation guarantees such loans for the banks who make them?
4. Is it a requirement of CMHC that such loans can be guaranteed only if the combined mortgage and loan payments of the applicant do not exceed 27% of his income?
5. What is the rate of interest to the borrower for such guaranteed Home Improvement Loans?

Hon. Robert K. Andras (Minister without Portfolio): 1. For the year 1969, 9,142 Home Improvement Loans were made under Section 24 of the National Housing Act (the calendar year is the Corporation's fiscal year).

2. Applications for Home Improvement Loans are received and processed by the branches of the chartered banks. The number of applications of such loans which were refused during 1969, is therefore not available to Central Mortgage and Housing Corporation.

3. The terms under which Central Mortgage and Housing Corporation guarantees such loans for the chartered banks are provided in Part IV of the National Housing Act, 1954 and Sections 70-97 inclusive of the National Housing Lending Regulations.

4. No.

5. Effective October 1, 1970, the maximum rate of interest for guaranteed Home Improvement Loans is 10⅛ per cent per annum.

YUKON ELECTRICAL COMPANY AND WHITE PASS AND YUKON CORPORATION

Question No. 86—**Mr. Howard (Skeena):**

What action is being contemplated by the government regarding the Yukon Electrical Company and the White Pass and Yukon Corporation in Canada's northland?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): No action is contemplated by

the government at this time with regard to the Yukon Electrical Company.

No action is contemplated by the government at this time with regard to the White Pass and Yukon Corporation.

LABELLING OF AMPHETAMINES

Question No. 90—**Mr. Howard (Skeena):**

Does the Food and Drug Directorate of the Department of National Health and Welfare allow amphetamines to be labelled as "appetite depressants, mood brighteners, and pep-pills, etc." and, if so, is the Directorate giving consideration to curbing the above labelling similar to action recently taken by the Food and Drug Administration in the United States?

Hon. John C. Munro (Minister of National Health and Welfare): Claims for amphetamines currently permitted by the Food and Drug Directorate of the Department of National Health and Welfare are limited to their use as adjuncts in the treatment of obesity, as anti-depressants in mild depressive states, and in the treatment of narcolepsy (uncontrollable sleepiness).

The Food and Drug Directorate is represented on a Committee of the Canadian Medical Association which has recently been established to conduct a national review of the current use of stimulants and sedatives in medicine. If the report of this Committee indicates a need for greater restrictions on the labelling of amphetamines, manufacturers of these drugs will be required to limit their claims even further than at present.

CHARITABLE ORGANIZATIONS

Question No. 91—**Mr. Howard (Skeena):**

1. For the years 1968 and 1969, how many applications were received by the Department of National Revenue regarding registration of charitable organizations in Canada?

2. For each of the above years, how many applications were approved by the Department?

3. For each of the above years, how many charitable organizations missed their annual deadline for filing a report of their operations with the Department?

4. What action has been taken by the Department of National Revenue to enforce complaisance with the law?

Hon. Herb Gray (Minister of National Revenue): 1. 4,322 applications were received in 1968 and 2,236 in 1969.

2. 3,213 applications were approved in 1968 and 1,040 in 1969.

3. It is not known how many charitable organizations were late in filing their annual returns but 10,300 organizations have not yet filed a 1968 return and 18,800 have not filed a 1969 return.

4. Requests to file returns were mailed to all registered organizations that had failed to file a return for either 1967 or 1968. Those that are still delinquent are being advised that their registration will be revoked if a return is not filed. Similar requests and warnings will be issued soon to organizations that have not filed returns for 1969.

[Mr. Chrétien.]

LABELLING OF VAPONA

Question No. 99—**Mrs. MacInnis:**

1. Does the Food and Drug Directorate of the National Health and Welfare intend to take action similar to that in the United States by requesting that the manufacture of "VAPONA", Shell Oil Company, include warnings on labels that the strips should not be used in kitchens, dining rooms, or food preparation areas?

2. If no similar action is contemplated, what are the reasons?

Hon. John C. Munro (Minister of National Health and Welfare): 1 and 2. The labelling of pesticides is controlled under the Pest Control Products Act which is administered by the Canada Department of Agriculture.

REPORT BY JOSEPH SEDGWICK, Q.C., ON IMMIGRATION LAW CHANGES

Question No. 106—**Mr. Mazankowski:**

1. When is the report, being prepared by Joseph Sedgwick, on problems developing from immigration law changes which have created a backlog of appeals against deportations, expected to be completed?

2. What is the total cost of the preparation of the report to date?

3. What is the anticipated total cost of the report?

Hon. Otto E. Lang (Minister of Manpower and Immigration): 1. The completed Report has just recently been received and is now under study. I would hope to be able to make a further statement as to the Report's contents at an early date.

2 and 3. There are no figures yet available as to the cost incurred to date or to the total cost involved. However in accordance with the normal charges incurred by the Government, when experts of Mr. Sedgwick's eminence are required, it is expected that the costs involved will be in the neighbourhood of $15,000.

FISCAL AID TO IDIKKE HYDROELECTRIC PROJECT IN KERALA STATE, INDIA

Question No. 107—**Mr. Mazankowski:**

1. How much fiscal aid has been allotted, to date, to the construction of the Idikke hydroelectric project in Kerala State, India?

2. What is to be the total allotment to this project?

3. Is this project behind schedule and, if so, how far?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. $25.0 million, comprised of $19.5 million in development loans and $5.5 million in grant aid.

2. $27.0 million, comprised of $19.5 million in development loans and $7.5 million in grant aid.

3. The original plans for this project called for completion by 1971. Relevant aid allocations are being rescheduled to support the project into 1975 when it is expected that completion will have been achieved.

CRASH OF DC-3 AIRCRAFT AT TIMMINS, ONTARIO

Question No. 119—**Mr. Forrestall:**

1. What was the altimeter setting given to the pilots of the DC-3 aircraft by the Aeradio Station operators at Timmins, Ontario, before it crashed on November 10, killing its crew of two?

2. Did the Aeradio Station operators at Timmins, Ontario, receive confirmation from the crew of the DC-3 that the altimeter setting information was received?

3. When was the barometric pressure recording instrument, that was used by the Aeradio Station operators at Timmins to ascertain the current altimeter setting, last checked or calibrated to prove its accuracy?

4. Was the DC-3 aircraft carying a Radar Altimeter and, if so, was it functioning at the time of the crash?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. Altimeter setting as given to the DC-3 before the crash was 30.01 inches of mercury.

2. No confirmation was received by the Aeradio Station operators at Timmins from the crew of the aircraft that the altimeter setting information had been received.

3. The barometer at the Aeradio Station had been checked and its accuracy verified on June 3, 1969. Error was found to be .0042 which equals four feet.

4. The DC-3 aircraft was not carrying a radar altimeter at the time of the crash.

CRASH OF DH-125 JET AT WABUSH, NFLD.

Question No. 120—**Mr. Forrestall:**

1. What was the altimeter setting given to the pilots of the DH-125 jet by ground personnel at Wabush, Newfoundland, prior to its crash on November 11?

2. When was it relayed to the crew?

3. What party or what authority gave the altimeter setting to the crew?

4. When was the barometric pressure recording instrument that was used by personnel on the ground to ascertain the current altimeter setting at Wabush, last checked or calibrated to prove its accuracy?

5. Was the jet aircraft concerned carrying a Radar Altimeter and, if so, was it functioning at the time of the crash?

6. What weather reporting information as to ceiling and visibility was relayed to the crew just prior to its crash?

7. What are the qualifications or what experience did the observer have who informed the crew of the jet as to weather conditions that existed at the time the aircraft made its approach?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. 29.97 inches of mercury.

2. Between six and seven minutes before impact.

3. Wabush tower.

4. The barometric pressure recording instrument was last checked on December 15, 1967 and found to be within limits. Daily checks against the sub-scale of the control tower altimeter are carried out. An additional check is carried out by meteorological personnel when drawing synoptic charts. If a station reports a pressure which does not fit into the surrounding pressure pattern a check of the recording instrument is made.

5. There was a radar altimeter on board. It has not been possible to determine if it was functioning at the time of the crash.

6. 700 feet scattered, measured ceiling 3,200 feet overcast, visibility 10 miles in very light drizzle, temperature 36°, dewpoint 33°.

7. The observation given to the pilot was taken by a Meteorological Technician, Grade 2. He has two years, 10 months experience working as an observer and has been classified as competent.

APPLICATIONS FOR ASSISTANCE UNDER SPECIAL AREAS PROGRAM

Question No. 148—**Mr. Burton:**

1. How many applications for assistance were received from Regina and Saskatoon to October 7, 1970, under the special areas program of the Department of Regional Economic Expansion?

2. How many applications were approved for Regina and Saskatoon to October 7, 1970?

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Regina, 15; Saskatoon, 16.

2. Regina, 4; Saskatoon, 6.

UNEMPLOYMENT INSURANCE OFFICE, ST-GEORGES, BEAUCE CONSTITUENCY

Question No. 149—**Mr. Rodrigue:**

1. How many (a) permanent (b) temporary employees are there in the federal Unemployment Insurance Office at St-Georges in the constituency of Beauce?

2. What is the total of their salaries?

3. Is this office rented and, if so (a) what is the annual rental cost (b) who is the owner?

[*Translation*]

Hon. Bryce Mackasey (Minister of Labour): 1. (a) (b) one permanent employee: Mr. Jean-Noel Poulin, Ville St-Georges, County of Beauce.

2. $8,626.

3. (a) $1,800 per annum; (b) Mr. Marc Roberge.

[*English*]

UNEMPLOYMENT INSURANCE CLAIMS 1968-69

Question No. 152—**Mr. Laprise:**

How many initial claims were made to the Unemployment Insurance Commission in the years 1968-1969?

Hon. Bryce Mackasey (Minister of Labour): There were 1,428,684 initial applications made to the Unemployment Insurance Commission during the Calendar year 1968 and 1,407,650 during the Calendar year 1969.

LIVERPOOL, NOVA SCOTIA HARBOUR—DREDGING OPERATIONS

Question No. 156—**Mr. Crouse:**

Is it the intention of the Department of Public Works to carry out dredging operations in Liverpool harbour, Queens County, Nova Scotia, in the vicinity of the marine railway and, and, if so (a) what is the amount of funds set aside for this work (b) when will this dredging be carried out?

Hon. Arthur Laing (Minister of Public Works): Yes, (a) $4,000. (b) This work has just been completed.

Questions

LIVERPOOL, NOVA SCOTIA, HARBOUR—DREDGING OPERATIONS

Question No. 164—**Mr. Crouse:**

Is it the intention of the Department of Public Works to carry out dredging operations in Liverpool harbour, Queen's County, Nova Scotia, to increase water depths in the channel which crosses the harbour bar and, if so (a) what is the amount of funds set aside for this work (b) when will this dredging be carried out?

Hon. Arthur Laing (Minister of Public Works): No additional dredging is planned in this location at the present time. However, during the present fiscal year the mooring area behind the public wharf was dredged to a depth of 14 feet L.W.O.S.T. and the approach channel to the mooring basin to a depth of 11 feet at L.W.O.S.T. The total cost of this work was $43,694.

DEPARTMENT OF FINANCE—NUMBER OF MAN-HOURS SAVED BY UTILIZATION OF COMPUTERS

Question No. 167—**Mr. Robinson:**

How many man-hours have been saved as a result of the utilization of computers by the Department of Finance during each year since computers have been used?

Hon. E. J. Benson (Minister of Finance): The provision of computer facilities in the Department of Finance has greatly increased the volume of analysis carried out on the national finances and the national economy. The work of compilation, storage, retrieval and analysis now being done by the computer would, if done by hand, require the services of a very large number of clerical staff, together with desk calculators, filing facilities, stenographic support and supervisory personnel. The computer permits the use of new and more advanced techniques of analysis, and provides a constant flow of up-to-date information of a kind which could not be provided by traditional means. No estimate of the man-hour equivalent provided by computer services is possible owing to the wide variety of new methods of data processing made possible by the use of the computer.

DEPARTMENT OF FINANCE—CHANGE IN NUMBER OF EMPLOYEES RESULTING FROM USE OF COMPUTERS

Question No. 168—**Mr. Robinson:**

As a result of the use of computers by the Department of Finance, how many employees have been (a) laid off (b) hired?

Hon. E. J. Benson (Minister of Finance): (a) Number of employees laid off, nil; (b) Number of employees hired, 7.

COST OF YOUTH HOSTELS IN CANADIAN CITIES

Question No. 173—**Mr. Nystrom:**

1. What is the estimated cost of providing youth hostels in twelve Canadian cities during the summer months?
2. In each city, how many young people used the youth hostel?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. $155,000 to operate hostels in 12 D.N.D. armouries plus $45,000 to operate hostels in an additional 11 private facilities in other centres.

2. St. John's	(approx.)	476 bed nights
Montreal	(approx.)	15,000 bed nights
Kingston	(approx.)	1,170 bed nights
Thunder Bay	(approx.)	2,564 bed nights
Calgary	(approx.)	7,600 bed nights
Edmonton	(approx.)	6,337 bed nights
Vancouver	(approx.)	20,000 bed nights
Charlottetown	(approx.)	1,000 bed nights
Hull	(approx.)	2,473 bed nights
London	(approx.)	1,089 bed nights
Winnipeg	(approx.)	10,000 bed nights
Revelstoke	(approx.)	1,493 bed nights

[*English*]

VALUE OF IMPORTS FROM SOUTH AFRICA 1963-70

Question No. 178—**Mr. Rowland:**

What was the total value of imports received in Canada from South Africa in each year 1963 to 1969 inclusive and what is the projected total figures for 1970?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports: Total value of imports from South Africa, as published in "Trade of Canada—Imports by Countries", are shown below for the years 1963-1970 (to date).

Year	Imports ($'000)
1963	31,548
1964	28,777
1965	27,113
1966	27,641
1967	37,060
1968	39,315
1969	45,944
January-August 1970	27,333

INDUSTRIAL DEVELOPMENT BANK LOANS

Question No. 184—**Mr. Robinson:**

1. Have any Industrial Development Bank loans been made to any companies and/or individuals involved in the *Mafia*?

2 Is any investigation carried out by the RCMP or other policing authorities in Canada to determine if the aplpicants for Industrial Development Bank loans have, in fact, any connection with crime, or criminal organizations and, if not, will this be considered in the future?

Hon. E. J. Benson (Minister of Finance): In so far as the Industrial Development Bank is concerned: 1 and 2. In examining loan proposals, all reasonable efforts are made to investigate the credit-worthiness of applicants to determine whether they meet the criteria laid down in Section 15(1) of the Act.

FINANCIAL GRANTS UNDER NORTHERN RESOURCE AIRPORTS PROGRAM

Question No. 187—**Mr. Harding:**

1. What was the total federal financial contribution for airstrip or airport construction under the Northern Resource Airports Program for the years 1964 to 1969 inclusive?

2. How many companies or individuals received grants under this Program?

3. What was (a) the name of each company or individual receiving a grant (b) the amount of the grant received (c) the type of mining operation in each case (d) the total cost of each project (e) the percentage of the cost contributed by the federal government?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. The total federal financial contribution during the period amounted to $64,307.20.

2. Eight applicants received financial assistance during the period.

3. The details are:

(a)	(b)	(c)	(d)	(e)
Applicant	Grant Received	Type of Operation	Cost of Project	Percentage of cost contributed by Federal Gov't.
Baffinland Iron Mines	$ 8,200,00	Mineral Exploration	$16,400.00	50
Coppermine River Ltd.	17,249.00	Mineral Exploration	34,498.00	50
Glenyon Mines Ltd.	1,497.75	Mineral Exploration	2,995.50	50
Great Bear Trophy Lodge	12,500.00	Tourism	60,000.00	33.33
Pacific Giant Steel Ores	7,835.45	Mineral Exploration	15,670.90	50
Nordex Exploration Ltd.	7,500.00	Mineral Exploration	15,000.00	50
Banff Oil Ltd.	7,500.00	Oil Exploration	15,000.00	50
Stan Reynolds Guide & Outfitter	2,025.00	Tourism	4,000.00	50

There remains $7,500 to be paid to this Company for a total federal contribution of 20,000 which is the maximum contribution allowable toward the type of operation served by the airstrip.

CANADA'S NATURAL GAS INDUSTRY

Question No. 188—**Mr. Harding:**

1. What were Canada's estimated natural gas reserves for the years 1961 to 1969 inclusive in terms of (a) volume (b) number of years supply?

2. For the years 1961 to 1969 inclusive, how much natural gas was (a) produced in Canada (b) consumed in Canada (c) exported?

3. For the years 1961 to 1969 inclusive, what percentage of possible maximum capacity was produced by Canada's natural gas industry?

Hon. J. J. Greene (Minister of Energy, Mines and Resources):

	Question 1		Question 2		Question 3
	(a)	(b)	(a) Produced in Canada (Bcf)	(b) Consumed in Canada (Bcf)	(c)
Years	Volume (Bcf)	Years of Supply			Canadian Gas Production As Percentage Of Maximum Capacity
1961	30,519	51.3	595	432	169	Not known
1962	32,248	39.1	826	489	343	Not known
1963	33,261	36.9	901	549	360	Not known
1964	39,580	38.6	1,027	636	392	Not known
1965	40,605	36.3	1,120	721	405	Not known
1966	43,747	36.3	1,205	800	2	Not known
1967	46,090	35.2	1,312	865	513	Not known
1968	48,289	32.1	1,506	979	605	Not known
1969	51,951	29.8	1,742	1,095	680	28

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—PUBLIC RELATIONS CONTRACTS

Question No. 200—**Mr. Howard (Skeena):**

1. What is the name and address of each company in the public relations field under contract with, or employed by the Department of Indian Affairs and Northern Development and on what date did each such contract or term of employment become effective?

2. Since the effective date, what amount has been paid to each such company?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development):

Name of Firm	Effective Date	Amount Paid
Williams & Wilson Ltd., 1161 Melville Street, Vancouver 5, B.C.	April 1, 1968	$70,200.04

Questions

Name of Firm	Effective Date	Amount Paid
Crockett Writers Public Relations Consultants, 3-590 Roseberry Street, Winnipeg 12, Manitoba.	Dec. 1, 1968	12,058.67
Berger, Tisdall, Clark & Lesly Ltd., Public Relations Consultants, Box 61, Toronto-Dominion Centre, Toronto 111, Ontario.	Dec. 1, 1968	22,000.00
Jacques Guay and Associates, Inc., 2612 Blvd. Rome, Brossard, Quebec.	Oct. 1, 1968	13,574.30
Profile Ltd., Public Relations and Communications Counsel, 2745 Dutch Village Road, Halifax, N.S.	Feb. 1, 1968	6,796.08
Hopkins Hedlin Ltd., 95 St. Clair Avenue West, Toronto 195, Ontario.	Oct. 1, 1969	21,004.00
Steiner Public Relations Limited 1330 Eight St. S.W., Calgary 3, Alberta.	April 1, 1968	31,606.35

CANADA COUNCIL GRANTS—INDIANS AND/OR ESKIMOS EDUCATION OR RESEARCH

Question No. 215—**Mr. Hales:**

1. What funds have been distributed by the Canada Council during the past five years to (a) Indians and/or Eskimos for education or research (b) non-Indians for studies dealing with Indian or Eskimo problems?

2. Does the Canada Council have any special regulations or policies dealing with the awarding of money to (a) Indians and/or Eskimos for education or research (b) non-Indians for studies dealing with Indian or Eskimo problems?

3. Is the percentage of rejections of (a) applications for grants from Indians and Eskimos higher than that of non-Indians (b) applications for grants to assist studies dealing with Indian or Eskimo problems higher than that of other types of research?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canada Council as follows: 1. (a) and (b) Information not available because applicants are not required to show their racial origin.

2. (a) No. (b) No.

3. (a) Information not available because applicants are not required to show their racial origin. (b) To provide the information required, the Canada Council would have to review at least 10,000 individual files of doctoral and of research grants applications and awards for the past five years as the present information retrieval system was designed to collate information by discipline rather than by topic of research. The Council is developing its information retrieval capabilities to include collation by research topic in the future.

[*English*]

CONTROL BY BANK OF CANADA OF INTEREST RATES

Question No. 220—**Mr. Robinson:**

1. What can or will the Bank of Canada do to limit the interest charged by the Chartered Banks and that paid to depositors by the Chartered Banks?

2. How can the Bank of Canada control the interest rates charged by (near banks) trust companies and finance companies?

3. What changes in legislation would be necessary to make the Bank of Canada more effective in curbing inflation?

4. What control is exerted by the Bank of Canada over advertising by the Chartered Banks?

5. What would be the estimated results if the Bank of Canada limited the interest rate chargeable by the Chartered Banks and lending institutions?

Hon. E. J. Benson (Minister of Finance): In so far as the Bank of Canada is concerned: 1, 2 and 3. The Bank of Canada exerts an important influence on the general level of interest rates and other credit conditions by using the powers which Parliament has given it in the Bank of Canada Act, mainly those powers which allow it to control the cash reserve base of the chartered banks as a group, and in this way to control the rate of expansion of the banking system. Additional powers would require further amendment of the Bank of Canada Act. Competition between banks and other financial institutions and in financial markets generally for the available funds causes this influence to spread through the whole system. The Bank of Canada has no statutory power to fix or to limit directly the interest rates charged or paid by the chartered banks or other institutions.

4. None.

5. This is a hypothetical question and not answerable.

CANADIAN BROADCASTING CORPORATION—POLITICAL ACTIVITIES OF EMPLOYEES

Question No. 238—**Mr. McCleave:**

1. What political activities, if any, are permitted to employees of the Canadian Broadcasting Corporation?

2. What directives are issued to employees in that regard?

3. When did the CBC last re-examine its policy and with what result?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporaiton as follows: 1. Corporation By-Law 7 (3) states: "No officer or employee of the Corporation employed on a full-time basis shall be a candidate for any public elective office or actively support any candidate for any public elective office, but an officer or employee of the Corporation may, subject to the permission of the President be, or actively support, a candidate for a municipal or civic office provided that the acceptance of or the support of the candidature for such office does not interfere with the proper

and regular performance of his duties with the Corporation."

2. It is normal procedure to notify employees of the foregoing as required.

3. The by-laws of the Corporation have been reviewed since the promulgation of the Broadcasting Act (1968) and By-Law 8(3) is still in effect.

[*English*]

NATIONAL PARKS—GOLF COURSES

Question No. 239—**Mr. McCleave:**

1. Which national parks have golf courses?

2. Which national parks are large enough to contain golf courses but do not have such and for what reason or reasons?

3. What are the green fees charged, what total revenue was realized, and what were the amounts charged to maintenance and upkeep in 1970?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Prince Edward Island, Cape Breton Highlands, Fundy, Riding Mountain, Prince Albert, Elk Island, Waterton Lakes, Banff, and Jasper National Park.

2. Terra Nova, Kejimkujik, Point Pelee, Yoho, Kootenay, Mount Revelstoke, Glacier and Wood Buffalo.

In accordance with national parks policy golfing is acceptable to a reasonable degree in recreational oriented parks. However, it is not considered an essential, desirable or compatible activity in those parks which are basically scenic or nature parks—wilderness parks—parks established to preserve unique species of fauna and flora, and areas of special historic, geological or geographical interest. In developing the above parks, the provision of golf courses was assessed in relation to the overall concept of national parks. In each case careful consideration was given to the fundamental purpose of the individual park, its category or type, terrain conditions, location, accessibility and the visitor need for such a facility.

3. The green fees charged are:

	9 hole course	18 hole course
1 round	$ 2.00	—
Daily	3.50	$ 4.
Weekly	17.50	20.
Season		
Senior men and ladies	$ 80.	$ 90.
Married Couples	105.	115.
Junior boys and girls	20.	25.

The total revenue realized in the fiscal year 1969-1970 amounted to $294,048.

The amounts charged to maintenance and upkeep for the fiscal year 1969-1970 totalled to $188,145.

The golf courses in Banff and Jasper National Parks are operated by the Canadian National and Canadian Pacific Railways and the national park fees, revenue, and operation and maintenance costs are not applicable.

Questions

PAYMENT OF FEDERAL INCOME TAX BY TELEPHONE COMPANIES

Question No. 245—**Mr. Fortin:**

1. Do the telephone companies of Alberta, Manitoba and Saskatchewan pay federal income tax?

2. Do the Quebec telephone companies pay federal income tax?

3. If there is any difference in the tax payable, does the government intend to take steps to ensure that all provinces are dealt with on the same basis and, if so, which ones?

Hon. E. J. Benson (Minister of Finance): 1, 2 and 3. The Income Tax Act does not permit release of information obtained under that Act concerning the tax affairs of particular companies. There is no special tax exemption for telephone companies. A corporation 90 per cent of the shares or capital of which is owned by a province or municipality in Canada is exempt from income tax if it qualifies under section 62(1) (c) of the Income Tax Act. This section applies in all provinces.

MANITOBA—FEDERAL GRANTS FOR VOCATIONAL EDUCATION PROGRAMS

Question No. 251—**Mr. Stewart (Marquette):**

1. What is the status of federal grants to the Province of Manitoba for vocational education programs?

2. How much is left in the program and what is the sharing proportions on future grants to Manitoba?

3. What is the deadline for the Province to utilize this cost-shared program?

Hon. Otto E. Lang (Minister of Manpower and Immigration): 1. Pursuant to Section 21 of the Adult Occupational Training Act of 1967, a federal-provincial Capital Expenditures Agreement was signed with Manitoba by which the Government of Canada is committed to contribute $56,646,400 in respect of capital expenditures incurred by the Province of Manitoba towards constructing and equipping occupational training facilities. By September 30, 1970 $26,201,948 has been paid to the Province.

2. As of September 30, 1970 the outstanding balance of the Province's total entitlement was $30,444,452. The Federal Government will contribute 75 per cent of the provincial cost of approved facilities until $7,864,812 of this amount has been used. The Federal Government will then contribute 50 per cent of the provincial cost until the remaining $22,579,640 has been used.

3. The Agreement does not specify any date for the expiration of the program.

CONSTITUENCY AREAS

Question No. 255—**Mr. Blouin:**

1. What are the three largest constituencies in Canada?

2. What is their area in square miles?

3. For each constituency, what is the population and the number of electors and according to which census?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Office

of the Chief Electoral Officer as follows: 1. Northwest Territories; Abitibi; Yukon.

2. 1,304,903; 267,322; 207,076.

3. 28,738 (13,807); 58,598 (27,335); 14,382 (7,559).

N.B. The population figures are based on 1966 census, figures in brackets are based on official list of electors for 1968 election.

DEPARTMENT OF FISHERIES AND FORESTRY—CHANGE IN NUMBER OF EMPLOYEES RESULTING FROM USE OF COMPUTERS

Question No. 257—**Mr. Robinson:**

As a result of the use of computers by the Department of Fisheries and Forestry, how many employees have been (a) laid off (b) hired?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): (a) None; (b) 46.

SECOND PROPOSED SITE FOR MAURICIE NATIONAL PARK

Question No. 266—**Mr. Matte:**

Have studies been made concerning a second proposed site for the Mauricie National Park and, if so (a) what was the nature of the studies (b) when were they carried out and by whom (c) what reasons did the Government of Quebec give for not selecting that site.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): (a) A combination of office and aerial field studies were carried out to review and corroborate existing publications and available data. (b) Initial studies were carried out in June 1968 and were followed by more detailed studies during the period July 1968 through February 1970. These studies were carried out by the National and Historic Parks Branch. (c) As in the case of all parks, surveys are made in broad areas to find the location offering the greatest potential, before the present area was designated.

TELEVISION—CANADIAN INSTITUTE OF PUBLIC OPINION POLL

Question No. 282—**Mrs. MacInnis:**

Is the Department of Consumer and Corporate Affairs aware of the recent opinion poll by the Canadian Institute of Public Opinion in which 69 per cent of Canadians feel that television commercials use untruthful statements and, if so, what action is contemplated by the Department?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): I am not in a position to comment on the validity or accuracy of this report but my department investigates all cases of misleading advertising of which officials are aware. Any citizen can refer particular cases to us through our local offices or Box 99.

ENTITLEMENT OF QUEBEC STUDENTS TO SCHOLARSHIPS TO STUDY WILDLIFE BIOLOGY—IAND

Question No. 287—**Mr. Rondeau:**

1. Are Quebec students excluded by the Department of Indian Affairs and Northern Development from receiving scholarships to study wildlife biology or do they have the same entitlement?

[Mr. Jerome.]

2. How are the students selected for such scholarships from the Department of Indian Affairs and Northern Development?

3. If there is a selection committee for that purpose, who are its members?

4. Who, in the Department of Indian Affairs and Northern Development, is in charge of studying wildlife in Quebec?

5. How many scholarships has the Canadian Wildlife Service granted over the past five years to students from the Province of Quebec, and what was the total amount of money paid out in such scholarships?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. No. They have the same entitlement.

2. Bilingual posters inviting applications are sent to all Canadian universities and colleges that have a faculty of biology or zoology. Applications are judged on the basis of academic level, academic achievement and relevancy of research to the aims of the Canadian Wildlife Service.

3. The selection committee is composed of senior scientists of the Canadian Wildlife Service.

4. The Director, Canadian Wildlife Service is in charge.

Year	Students from Quebec	Amount Received
1970	nil	Nil
1969	3	3,600
1968	3	3,000
1967	2	2,400
1966	3	3,600
	11	12,600

BEAUCE CONSTITUENCY—NUMBER OF VETERANS

Question No. 308—**Mr. Rodrigue:**

How many veterans are there in the constituency of Beauce and, of this number, how many are veterans of (a) World War I (b) World War II (c) Korean War?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Statistics of the number of veterans are not maintained by constituencies.

BEAUCE CONSTITUENCY—RETRAINING COURSES

Question No. 310—**Mr. Rodrigue:**

1. How many residents of the constituency of Beauce follow retraining courses at the following levels (a) Grade VII (b) Grade VIII (c) Grade IX (d) Grade X (e) Grade XI (f) Grade XII?

2. How many follow upgrading courses?

[*Translation*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): Trainees on course on November 2, 1970: 1. (a) 0; (b) 46; (c) 0; (d) 66; (e) 14; (f) 22.

2. Eighty-four.

[*English*]

LOTBINIÈRE CONSTITUENCY—NUMBER OF VETERANS

Question No. 336—**Mr. Fortin:**

How many veterans are there in the constituency of Lotbinière and of this number, how many are veterans of (a) World War I (b) World War II (c) Korean War?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Statistics of the number of veterans are not maintained by constituencies.

GRANTS UNDER REGIONAL DEVELOPMENT INCENTIVE ACT

Question No. 347—**Mr. Burton:**

For each province and Canada as a whole, what is the total estimated (a) federal government financial grants (b) new employment, under the Regional Development Incentive Act of the Department of Regional Economic Expansion from the Act's proclamation to the end of October, 1970?

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): Regional Development Incentives Act

	(a) Estimated Amount of Incentive $	(b) Estimated No. of New Jobs
Newfoundland	826,446	514
Prince Edward Island	1,031,525	309
Nova Scotia	20,252,918	1,348
New Brunswick	13,015,772	2,077
Quebec	39,230,254	8,621
Ontario	10,590,277	1,548
Manitoba	5,180,743	1,635
Saskatchewan	1,360,690	342
Alberta	3,491,518	744
British Columbia	478,337	146
Canada	95,458,480	17,284

The parallel program of incentives in Special Areas adds the following:

	(a)	(b)
Ontario	3,161,232	401
Saskatchewan	2,759,730	582
Alberta	1,200,000	95
Canada	7,120,962	1,078

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

*WATER POLLUTION—ESTABLISHMENT OF GOVERNMENT AND PULP AND PAPER INDUSTRY COMMITTEE

Question No. 97—**Mr. Howard (Skeena):**

1. Has a committee comprising federal government employees and the pulp and paper industry, been established relating to the water pollution by the said industry and, if so, when was the committee established and what are (a) the names of (b) the positions held by each member thereof?

2. Has the committee held any meetings and, if so (a) where (b) on what dates (c) who was in attendance at each such meeting?

Inquiries of the Ministry

3. Has the committee established any priorities, planned a program, made any review of progress, given any advice or made any recommendations on the allocation of funds and, if so, what are the details of each such decision?

Return tabled.

NORTHERN MINERAL EXPLORATION ASSISTANCE PLAN—FEDERAL CONTRIBUTION

Question No. 190—**Mr. Harding:**

1. What was the total federal financial contribution for exploration projects under the Northern Mineral Exploration Assistance Program for the years 1964 to 1969 inclusive?

2. How many companies or individuals received grants under this Program?

3. What was (a) the name of each company or individual receiving a grant (b) the amount of the grant received (c) the type of mining operation in each case (d) the total cost of each project (e) the percentage of the cost contributed by the federal government in each project?

Return tabled.

• (2:10 p.m.)

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

CONSULTATIONS WITH PROVINCES ON METHODS OF STIMULATING EMPLOYMENT—NATURE OF MEASURES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question I should like to address to the Prime Minister. In view of the statement made in the House on Friday by the Acting Prime Minister that "announcements will be made shortly which will have the effect of stimulating employment", is it the intention of the government to meet in the very near future with representatives of the provinces to discuss with them ways in which they can most effectively assist the government in putting these measures into operation so that unemployment may be combated in the most effective manner?

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, meetings at various levels are going on all the time. I know that officials of the federal government are meeting with provincial officials very shortly to prepare the December meeting of finance ministers. No doubt they will be talking about this problem. There have been meetings over the past many weeks between officials of various governments. Therefore there is nothing more to report on that.

Mr. Hees: Since this is a very important matter I naturally asked the Prime Minister whether special consultations would be taking place, and it seems that they will not. Can the Prime Minister advise the House when the government expects to outline to the country the nature of the measures mentioned by the Acting Prime Minister specifically on Friday, and how effective the government expects these specific measures will be in reducing unemployment.

Mr. Speaker: Order. The hon. member will realize that the second part of the question is not in order. The Prime Minister may wish to reply to the first part of the hon. member's question.

Mr. Trudeau: Mr. Speaker, the first part was perhaps in order but it was incorrect. The hon. member said there were no such meetings. I do not know what he wishes the House to infer from that, but I have just replied that there have been meetings and will be more.

Mr. Hees: Dealing with other matters but not this.

Mr. Speaker: The hon. member for Nanaimo-Cowichan-The Islands.

Mr. Hees: Mr. Speaker—

Mr. Speaker: Order. The Chair has recognized the hon. member for Nanaimo-Cowichan-The Islands. The Chair will return to the hon. member in a moment.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the statement by the Minister of Public Works inside the House that new measures are being prepared to reduce unemployment and his statement outside the House that a number of new public works projects would be included in these new measures, could I ask the Prime Minister whether the minister in question was stating government policy and, if so, when does the Prime Minister intend to have an announcement made to the House regarding the extent and nature of these new measures?

Mr. Trudeau: On the first part of the question, the minister was stating government policy but in reality it was a continuation of government policy. A few days before, I had occasion to enumerate to the House the series of measures which have been taken since the Minister of Finance's last budget in March, and last Friday the Acting Prime Minister was informing the House that the government was in the process of wanting to add to this series. When they will be announced is at the government's discretion. We will announce the measures when they are ready and when they have been discussed fully with the provinces concerned.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In view of the urgency of the matter and the fact that public works projects must be undertaken very soon if they are to have any beneficial effect in reducing winter unemployment, can the Prime Minister indicate when there will be a statement about new public works projects either by the federal government or in conjunction with the provincial governments and municipalities, and will this statement include at the same time a mini-budget outlining some of the government's fiscal proposals with respect to dealing with the problem of unemployment?

Mr. Trudeau: On the first part of the question, I repeat that the timing is up to the government to decide, but it will be as soon as possible.

On the second part of the question, may I remind the House that apart from the last budget there was the Minister of Finance's lengthy statement very recently in the debate on the Speech from the Throne in which he put before the House the government's economic and financial position. As to whether there will be another budget needed and at what time, as the House knows this is at the government's discretion and it is something that we will announce in due course. I might say, by the way, that I am very glad that the opposition parties have been conscious of the need to do more and, indeed, have been pressing the government to do more, and we hope that when the time comes to pay for all this we will have their support.

Mr. Speaker: This matter was raised originally by the hon. member for Prince Edward-Hastings and he had a supplementary question which he did not ask. I would like to go back to him now.

Mr. Hees: As it has now become obvious that the government has no new policy to announce, is it not obvious that the Acting Prime Minister was misleading the House on Friday and that the Prime Minister was using double talk and giving us gobbledygook as he usually does when dealing with these matters?

Mr. Speaker: Order, please. I regret that I returned to the hon. member. I thought he had a supplementary question.

[*Translation*]

INCREASE IN PURCHASING POWER TO ALLEVIATE UNEMPLOYMENT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a supplementary to the Prime Minister.

Dealing with unemployment, the Prime Minister himself stated, as proven by a 1954 number of *Cité Libre*—

Mr. Speaker: Order. The hon. member knows that the question period only lasts 40 minutes and I do not think that he has to go back to 1954 to ask his question. Therefore, I invite him to ask his question immediately.

Mr. Caouette: Let us remain in 1970 then. The Prime Minister stated: "Happily, there is a remedy that can be applied instantly, at the first sign of weakness in the national economy: it is to stimulate purchases by putting more money into the hands of the consumers."

Is the Prime Minister prepared at this moment to hand over more funds to consumers as a means to fight unemployment efficiently?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member had kept himself posted on monetary matters, he would have learned that Bank of Canada credit has been considerably increased in recent months, which means that much more money has been made available to consumers.

[*English*]

FINANCE MINISTERS' CONFERENCE—SUBMISSION BY PROVINCES OF PROGRAMS TO ALLEVIATE UNEMPLOYMENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask one further supplementary question of the Prime Minister. In view of the fact that the Minister of Finance is meeting with the provincial Ministers of Finance on December 7 and 8, I believe, has the federal government invited the provinces to submit at that time any programs they and their municipalities might have in the form of public works projects which might help to alleviate the unemployment situation to some extent?

Right Hon. P. E. Trudeau (Prime Minister): I cannot answer that question, Mr. Speaker. I am not aware of the agenda in detail. In the past the provinces have felt free to make such representations and I am sure they will in the future, but I cannot say whether this is specifically on the agenda.

IMPLEMENTATION OF BAY OF FUNDY TIDAL POWER PROJECT AS MEANS OF PROVIDING EMPLOYMENT

Mr. Robert C. Coates (Cumberland-Colchester North): In view of the heavy unemployment that always comes to us in the Atlantic area in the winter months, and in view of the lower interest rates that have been put into effect by the Bank of Canada, would the Prime Minister reconsider the proposal made by the task force that investigated the harnessing of the Bay of Fundy tides to see if that project, which would provide both short-range and long-range employment for people in the Atlantic area, could be implemented?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know of no such review going at the present time within the government but I will communicate the representations of the hon. member to the responsible minister.

CONSTRUCTION GRANTS OR LOW INTEREST LOANS TO AGRICULTURAL EXHIBITIONS AS MEANS OF PROVIDING EMPLOYMENT

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I have a supplementary question I would like to direct to the Minister of Agriculture in connection with the governments program for combating unemployment. Would the minister consider making selected ex gratia payments to exhibition associations or similar organizations for the purpose of constructing much needed agricultural exhibition complexes, or the introduction of legislation to provide low interest financing for the construction of such facilities?

Mr. Speaker: I will allow the minister to reply to the question but I would think the hon. member's question, much in the same way as the question asked by the previous member, is in the form of a suggestion rather than a question. I would not think a question in those terms is quite in order, but perhaps the minister might be allowed to reply to this one.

Inquiries of the Ministry

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I am sure the hon. member is aware that this kind of financing has been under consideration by the government from time to time for, I believe, about the last six years. However, the priorities in relation to the total amount of financing available have not been such that we have brought forward such a bill.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, may I address a supplementary question to the right hon. Prime Minister. Would he discuss with the Treasury Board the releasing of funds to the Minister of Public Works and his department in order that they may proceed with the many necessary projects that they are anxious to build?

Mr. Speaker: The hon. member's question is of the same nature as the two questions asked previously. I would think it is in the form of a suggestion, and the hon. member has to assume that his suggestion will be considered by the government.

* * *

NATIONAL SECURITY

POLICE EFFECTIVENESS IN SEARCH FOR KIDNAPPERS AND MURDERERS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Solicitor General. Before I ask it, I know I am speaking for all members of the House in expressing to him and Mrs. McIlraith the deepest sympathy of all of us in the trying days through which he and the family are passing.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Speaker, there has been some argument over the question as to which police officers or which police force were doing what work in Montreal. The police officers who discovered the home of the Secretary of State showed particular cunning and ability, but they did not display the same when they picked up Lortie. According to press reports, in the home where he was picked up there were three of the other wanted FLQ criminals. Is the minister in a position to advise, so that appropriate decorations may be given to these policemen, who they were and what forces they represented when displaying such nearsightedness?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, I should like to thank the right hon. gentleman for the reference preceding his question. I appreciate his remarks very much.

As to the question itself, the arrests, the subsequent search and the discovery of the alleged hiding place were carried out by the Montreal city police and the Quebec provincial police. Since that is the case I do not think it would be appropriate for me to make any comment as this is the responsibility of the Minister of Justice of Quebec.

Inquiries of the Ministry

Mr. Eldon M. Woolliams (Calgary North): I have a supplementary question for the Solicitor General, Mr. Speaker. Was any suggestion made by the other police forces or the directors in charge of the administration of the War Measures Act regulations that the RCMP should assist in these searches and arrests?

Mr. McIlraith: Mr. Speaker, there is an anti-terrorist squad comprised of representatives of the three forces working on these matters in Montreal. I do not think I can answer the question more specifically.

Mr. Woolliams: Mr. Speaker, would the minister consider having an independent investigation set up by the federal government so that we may ascertain the facts as to what did take place, because the arrests and detentions are being made under the War Measures Act implemented by the federal government?

Mr. McIlraith: Mr. Speaker, I should point out that the responsibility for the administration of the criminal law in this respect lies with the provincial authorities. I do not feel that it would be appropriate for the federal authority to set up an investigatory body to examine the action of police forces under the responsibility of the provinces.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I ask the Solicitor General to make representations to those in authority responsible for the administration of the regulations to see whether it would help to look in the "clues" closet?

SUGGESTED COMMISSION TO EVALUATE EFFECTIVENESS OF POLICE WORK

Mr. David MacDonald (Egmont): Mr. Speaker, I should like to address a question to both the Prime Minister and the Solicitor General since it involves joint responsibility. In view of the increasing alarm over police effectiveness in the Cross and Laporte kidnappings and the Laporte murder, is any consideration being given to establishing some kind of commission in conjunction with the Montreal authorities and the provincial authorities of Quebec which would evaluate police effectiveness and the necessary steps to be taken so there will be appropriate security in this situation and with regard to any such problems in the future?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know of no such review going on at the present time Prince Edward-Hastings recently I stated that this type of review and examination was under way at the federal level and that we are doing it in consultation with the other police forces involved.

Mr. MacDonald (Egmont): Mr. Speaker, has the Prime Minister, in consultation with the other two levels of government, had the opportunity to explore the possibility of an independent commission sanctioned by all three levels of government in order that a full reading of the case can be made for the appropriate officials involved and for the public?

[Mr. McIlraith.]

Mr. Trudeau: Mr. Speaker, perhaps I misunderstood the first question. I was not indicating that this kind of investigation, to use the member's words, was required. I did indicate that an examination was required with a view to dealing with repetitions in the future, but there is no implication that we are investigating the past in the sense that it might have been the result of some gross negligence or other circumstance. There is no investigation in that sense, but we are preparing for the future. That is all I wish to indicate, Mr. Speaker.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a supplementary question for the Prime Minister. In light of what has happened and been disclosed, could the assessments and recommendations of the police which led to the invoking of the War Measures Act also come under review as to their competence?

Mr. Trudeau: Mr. Speaker, the government is as interested as anyone in stacking up the results with the previous assessments but this has nothing to do with the principle of the invocation of the War Measures Act. I have given the House the reasons we had for invoking the Act and it would be unfair to say that we only acted because the police told us such and such. We acted because we were informed by all responsible authorities in Quebec of the situation and on our own assessment of the situation.

* * *

ADMINISTRATION OF JUSTICE

NUMBER JAILED IN CANADA COMPARED WITH UNITED KINGDOM

Mr. Barry Mather (Surrey): I should like to address a question to the Minister of Justice, Mr. Speaker. Is the minister aware of the reports over the weekend to the effect that despite our much smaller population Canada is now jailing twice as many people as the United Kingdom? Will the minister give some consideration to constructive action on this situation?

Hon. John N. Turner (Minister of Justice): It was good of the hon. member to give me notice a moment or two ago that he intended to put this question to me. I should like to study the nature of the figures upon which the comparison is made and take whatever appropriate action or make whatever appropriate statement is necessary.

* * *

[*Translation*]

UNITED NATIONS

REFUSAL OF ISRAEL TO RECOGNIZE JERUSALEM AS SEPARATE ENTITY

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to address a question to the Secretary of State for External Affairs.

In view of the refusal by the Israeli government to accept the UN's recommendation to the effect that Jerusalem should be considered as an entity separate from the Israeli problem, does the Canadian government intend to ask his UN representative to protest once more against the confiscations and expropriations which the Arabs have to suffer?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Our purpose, and I am sure it is one which is shared by all hon. members, is to bring about a settlement of the Arab-Israeli dispute, and for that reason we are supporting the implementation of resolution 242 which includes other elements, but does include, of course, the question of Jerusalem.

* * *

CRIMINAL CODE

PREVENTIVE DETENTION—INQUIRY AS TO AMENDMENTS

Mr. Norman A. Cafik (Ontario): I should like to direct my question to the Minister of Justice. Is his department planning to introduce any amendments to the Criminal Code, particularly to sections 659 to 667 dealing with preventive detention? What bothers me most is section 660 having to do with habitual criminals, and I should like to know whether there is any plan to change this section?

Hon. John N. Turner (Minister of Justice): The law as it affects habitual criminals and preventive detention was thoroughly dealt with in the committee under the chairmanship of Mr. Justice Roger Ouimet. The Department of Justice, the Department of the Solicitor General and the government are actively considering to what extent the recommendations should be implemented.

Mr. Cafik: Is there any plan to send this section—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

* * *

NATIONAL SECURITY

WAR MEASURES ACT—PAYMENT BY QUEBEC FOR SERVICES OF ARMED FORCES

Mr. S. J. Korchinski (Mackenzie): In view of the fact that the Prime Minister's reply earlier indicated that to some extent the decision to invoke the War Measures Act was based on information provided by the police and in view of certain events which have happened, with some reports indicating that some of the police have not been too efficient in apprehending some of the alleged suspects, will the Prime Minister reconsider his position now in regard to paying for the services provided by the Armed Forces as this might bring about greater efficiency on the part of certain—

Mr. Speaker: Order, please.

Inquiries of the Ministry

CANADIAN BROADCASTING COPORATION

TIME OF FRENCH INSTRUCTION PROGRAM

Mr. Heath Macquarrie (Hillsborough): Since neither Postmaster General is present today I should like to direct this question to the Secretary of State and ask my good friend the Solicitor General to audit it. It concerns a petition received from Knox Presbyterian Church in Ottawa praying that a popular CBC language instruction program not be shown in prime kirk time. Can the minister advise the House what he has been able to do to avoid unnecessary competition between Presbyterianism and bilingualism?

Mr. Speaker: Order, please. The hon. member's question has been audited and found lacking.

Some hon. Members: Oh, oh!

* * *

ADMINISTRATION OF JUSTICE

SUGGESTIONS BY QUEBEC MINISTER RESPECTING IDENTITY CARDS, EMERGENCY MEASURES, CENSORSHIP

Mr. David Lewis (York South): I wish to direct a question to the Minister of Justice. Arising out of a report that the Minister of Justice of the province of Quebec is preparing a white paper including not only a proposal to establish a system of identity cards, about which I asked the minister some days ago, but also suggestions for amending the Criminal Code with respect to emergency measures, questions of censorship and the like, I should like to ask the minister whether he has been in discussion with the Minister of Justice of the province of Quebec regarding the work which is now being done in the latter's department?

Hon. John N. Turner (Minister of Justice): I have not received any specific recommendations from the government of Quebec on the subject though I read the newspaper reports over the weekend. If and when such representations are received they will, of course, in accordance with the usual practice, be considered by the government and discussed, if necessary, with the other provincial Attorneys General. On the basis of a discussion I had with the provincial Minister of Justice it is my understanding that he was not outlining any program of action or manifesto but was recommending a re-examination of the role and efficiency of the police forces in Quebec.

Mr. Lewis: In view of the fact that some of the suggestions he made, which no doubt he repeated to the minister in conversation, directly affect federal jurisdiction, and in the case of censorship affect federal jurisdiction in the field of freedom of speech and so on, can the minister assure the House that he will pursue this matter further with the Quebec authorities to avoid a conflict later between the two levels of government?

Mr. Turner (Ottawa-Carleton): I am sure any conflict can be avoided, Mr. Speaker.

Inquiries of the Ministry

[*Later:*]

QUEBEC—PROPOSED AUTHORIZATION OF WIRETAPPING

Mr. David Orlikow (Winnipeg North): I wish to ask the Minister of Justice whether in view of his repeated expressions of opposition to wiretapping he will discuss with the Minister of Justice of Quebec the proposal there to implement wiretapping legislation?

Hon. John N. Turner (Minister of Justice): I believe my views on this subject are fairly well known. I hope to be able to bring a bill before the House either prior to or after the Christmas recess.

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EXTERNAL AFFAIRS

PAKISTAN—ASSISTANCE TO CYCLONE AND FLOOD VICTIMS

Mr. Robert C. Coates (Cumberland-Colchester North): I have a question for the Secretary of States for External Affairs. Is the minister in a position to tell the House what action the Canadian government intends to take by way of assistance to the people of Pakistan in view of the terrible tragedy which has taken place there resulting in the deaths of possibly as many people as there are in the city of Ottawa?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The Prime Minister sent today on behalf of the Canadian people a message of the deepest sympathy over the loss of life and destruction which has been caused in eastern Pakistan by the recent cyclone and tidal wave. He told the president that Canada was contributing $50,000 immediately to the International Red Cross appeal fund for cyclone relief and has instructed his officials to determine what additional relief assistance we can best provide.

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TRADE

ALLEGED LABELLING OF AGRICULTURAL IMPORTS AS CANADIAN PRODUCTS

Mr. Cliff Downey (Battle River): My question is directed to the Minister of Agriculture, Mr. Speaker. Can the minister tell us whether agricultural products imported into Canada are being labelled for sale as products of Canada?

Mr. Speaker: I doubt whether this question is in order. It seems to me to be a very general question and unless the hon. member can be more specific it should be placed on the order paper.

Mr. Downey: Allegations are being made that certain agricultural products imported into this country are being labelled as products of Canada. Bearing in mind the $35½ million agricultural trade deficit, would the minister look into this situation?

Hon. H. A. Olson (Minister of Agriculture): It would be helpful if the hon. member could be a little more specific.

Mr. Speaker: Order, please.

[Mr. Turner (Ottawa-Carleton).]

AGRICULTURE

PRICE OF DRESSED HOGS—ACTION UNDER AGRICULTURAL STABILIZATION ACT

Mr. A. P. Gleave (Saskatoon-Biggar): I wish to direct a question to the Minister of Agriculture. In view of the possibility that despite the very serious slump in hog prices in recent weeks farmers will receive no deficiency payments from the Agricultural Price Stabilization Board due to the nature of the support formula under which the board operates, will the minister consider calling a meeting of the board and its advisory committee in order to consider ways and means by which hog producers could receive supplementary payments until such time as market prices recover?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, there is no problem in referring whatever data are now available to the Agricultural Stabilization Board. They can, of course, have a meeting at the request of the industry or, indeed, I can ask them to have a meeting to consider this. I am sure they would be willing to do so with a request from either direction.

* * *

NATIONAL SECURITY

WAR MEASURES ACT AND TEMPORARY PUBLIC ORDER BILL—REMARKS BY FORMER PRIME MINISTER PEARSON

Mr. David MacDonald (Egmont): My question is for the Prime Minister. In view of the remarks yesterday on national television by former Prime Minister Lester Pearson with respect to not having sufficient details to judge the correctness or otherwise of the government's action with regard to the War Measures Act and now the temporary public order bill, will the Prime Minister indicate what steps are being taken to clarify what I think is a good deal of uncertainty, as expressed by the former Prime Minister?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not aware of the exact nature of the remarks attributed to the former Prime Minister. If they are as the hon. member says, apparently the former Prime Minister is in the same situation as the hon. member. However, this does not apply to other hon. members because they all voted in support of the temporary measures bill.

Mr. MacDonald (Egmont): A supplementary question—

Mr. Speaker: Order, please. As the hon. member knows, it is difficult to answer questions on statements made outside the House by persons other than members of the cabinet. Perhaps the hon. member might phrase his question differently.

Mr. MacDonald (Egmont): In light of the Prime Minister's response to my question, when we come to the vote on third reading of the temporary public order bill, is he willing to allow a free vote for all members of the House so that everyone connected—

Mr. Speaker: Order, please.

THE CANADIAN ECONOMY

MEASURES TO ALLEVIATE UNEMPLOYMENT—CONTAINING OF COST-PUSH INFLATION

Mr. C. Terrence Murphy (Sault Ste. Marie): I have a question for the Prime Minister. Considering that inflation is still a serious problem in the country—

Some hon. Members: Hear, hear.

Mr. Murphy: I am glad hon. members opposite agree. In view of the fact the government is considering the introduction of measures to alleviate unemployment which may have the effect of nourishing the demand-pull type of inflation, is the government also considering the introduction of other measures which will have the effect of containing the cost-push breed of the inflationary animal?

Mr. Speaker: I think this question is similar to one which was asked earlier in other terms.

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LABOUR RELATIONS

RAILROAD LABOUR CONTRACT NEGOTIATIONS—REQUEST FOR STATEMENT

Hon. Marcel Lambert (Edmonton West): I intended to address my question to either the Minister of Labour or the Acting Minister but I will address it to the Parliamentary Secretary to the Minister of Labour. Will the minister, at the first opportunity, make a statement in the House with respect to the labour negotiation situation regarding Canadian railroads, bearing in mind that the already depressed Canadian economy cannot stand the national disaster of a railroad strike?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): The hon. member will be pleased to learn that Mr. R. A. Gallagher of Winnipeg has been appointed chairman of each conciliation board in matters relating to Canadian National Railways and Canadian Pacific Railway. Hearings of the board have commenced in Montreal. I know that we are all optimistic about the possible result. At the same time I would assure the hon. member that his suggestion will be passed along to the minister who is about his duties today in Montreal.

* * *

BROADCASTING

PERFORMANCE OF NORTH BATTLEFORD SATELLITE TELEVISION STATION

Mr. Rod Thomson (Battleford-Kindersley): My question is for the Secretary of State. Will the minister ask the CRTC to insist that the television satellite at North Battleford of television station CKBI, Prince Albert, perform according to its licence requirements?

Mr. Speaker: Order, please. The hon. member has made his submission and he will have to assume it will be taken into account by the minister concerned.

Inquiries of the Ministry

FINANCE

SUGGESTED REPEGGING OF CANADIAN DOLLAR TO ASSIST EXPORTERS

Mr. Lloyd R. Crouse (South Shore): I wish to direct a question to the Prime Minister. In view of the employment opportunities provided in Atlantic Canada by the pulp and paper industry and the 8.4 per cent decline in newsprint shipments to the United States during the past three months, is the government contemplating any action to assist this industry to improve its competitive position in the United States market?

Mr. Speaker: Order, please. The hon. member realizes that he is now asking for a statement of a very general nature. This information should be given to the House by way of a statement on motions. Perhaps the question might be asked in those terms.

Mr. Crouse: Perhaps I could ask my question in a different manner. Since the present value of the Canadian dollar now means that Canadian exporters selling in United States funds receive 5½ per cent less for their goods than in the first half of 1970, can the Prime Minister indicate when Canadian exporters can anticipate some action being taken to stabilize the Canadian dollar?

* * *

BUSINESS OF THE HOUSE

SUGGESTED REFERENCE OF CERTAIN BILLS TO COMMITTEE OF THE WHOLE

Mr. G. W. Baldwin (Peace River): I have a question for the Acting Government House Leader with respect to Bill C-182 dealing with regulations and the bill introduced this afternoon in connection with the Auditor General. Will the government House Leader give consideration to having both these measures dealt with in Committee of the Whole? I ask this question in view of the fact that both bills received extensive discussion and detailed consideration in committee meetings, and it may be that the present unhappy experience of the Minister of Justice in connection with the bill with which we are now dealing will not be repeated if government backbenchers are properly briefed.

* * *

INFORMATION CANADA

CO-ORDINATION OF REFERRAL SERVICES WITH PROVINCIAL PROGRAMS

Mr. Thomas M. Bell (St. John-Lancaster): My question is for the minister in charge of Information Canada. Has the federal government entered into negotiations with the provinces in order that the information referral services to be provided by the planned regional inquiry offices of Information Canada can easily be co-ordinated with similar programs which the provinces may wish to establish in this area? If not, why not?

Hon. Robert Stanbury (Minister without Portfolio): Yes, Mr. Speaker.

Inquiries of the Ministry

CONSUMER AFFAIRS

FARM MACHINERY PRICE INCREASES PROPOSED BY WHITE MOTOR COMPANY

Mr. John L. Skoberg (Moose Jaw): My question is for the Minister of Consumer and Corporate Affairs. In view of the fact that farm machinery prices of the White Motor Company, formerly known as Cockshutt, are, as indicated by that company, liable to be increased by 7 per cent on all sales made in 1971, will the minister indicate whether he will refer this to the Prices and Incomes Commission, particularly in view of the fact that it includes profits for that company?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, that company would be expected to comply with the pricing criteria agreed upon last February. Should they raise prices in the manner suggested by the hon. member, the Prices and Incomes Commission will examine it.

Mr. Skoberg: Will the minister tell this House and the people of Canada whether he is prepared to take the initiative of inquiring into the profits of these farm machinery companies?

Mr. Basford: I do not understand the question, Mr. Speaker. The Prices and Incomes Commission made it very clear that companies which increase their prices above the pricing criteria agreed upon will be investigated. There is no need for an initiative on my part or on the part of anyone else.

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INDIAN AFFAIRS

LONG GRASS PEOPLE—ACTION TO PREVENT WINTER HARDSHIP

Mr. Robert Borrie (Prince George-Peace River): I wish to direct my question to the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development. Can he advise the House if steps are to be taken to alleviate anticipated winter hardships of Indians known as the Long Grass people, residing on the shores of Lake Williston in central British Columbia?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): The situation of the Long Grass people is being investigated, Mr. Speaker. I will be happy to draw the hon. member's question to the attention of the minister.

EFFECT OF W.A.C. BENNETT DAM ON LIVELIHOOD OF INDIANS

Mr. David Anderson (Esquimalt-Saanich): Have any other studies been undertaken on the effects on the livelihood of Indians living downstream from the W.A.C. Bennett dam where the water table has been seriously affected by that dam?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): It is my understanding that other studies have been made concerning the situation. I will be happy to bring this to the attention of the minister.

Mr. G. W. Baldwin (Peace River): While the Parliamentary Secretary is having these interesting discussions, will he attempt to find out what success the minister is having with Premier Bennett regarding the matter of having more water released through the dam which would help the situation on both sides?

Mr. David Orlikow (Winnipeg North): Will the minister make a statement in the near future regarding the arrangements that were made when the dam was being planned with respect to compensation for the Indians who are being adversely affected?

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CANADIAN BROADCASTING CORPORATION

ARREST OF CERTAIN NEWS BROADCASTERS UNDER WAR MEASURES ACT

Right Hon. J. G. Diefenbaker (Prince Albert): My question is directed to the Secretary of State. On a couple of occasions I have asked whether he could get information from the CBC, on behalf of which he reports to Parliament, concerning the three or four broadcasters or news distributors of Radio-Canada who, as reported by the Minister of Regional Economic Development, were using a code to communicate with the FLQ. They were picked up under the War Measures Act and subsequently released. Are they now back with the CBC?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, the right hon. member wants to know whether I can give him that answer. The answer is no.

* * *

[*English*]

PENSIONS

OLD AGE SECURITY—ACTION ON INCREASE BEFORE CHRISTMAS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. There being only 39 days to Christmas, has the Prime Minister yet decided in what way he is going to say "Merry Christmas" to Canada's old age pensioners?

* * *

INQUIRY OF THE MINISTRY

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I too wish to direct my question to the right hon. gentleman. It has to do with the Prime Minister's visit this weekend to New York. Would he please inform the House whether he had a good time?

Mr. Speaker: Orders of the day.

GRAIN

PRODUCTION AND RECEIPTS POLICY—FARM CONSOLIDATION PROGRAM

Mr. Don Mazankowski (Vegreville): Mr. Speaker, on Monday last I directed a question to the Minister of Agriculture asking for information relating to the government's policy respecting consolidation of prairie farm units. The minister replied that it was too large an area for him to reply to during the question period. Can the minister now advise the House whether he will be making a statement on motions outlining the government's policy on prairie farm unit consolidation, as referred to in the grains proposal, prior to the convening of the agricultural congress?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I have no plans to make a statement on motions in that context.

Mr. Mazankowski: A supplementary question. I wonder whether the minister could explain to the House and to the farmers of this country how in the name of heaven—

Mr. Speaker: Order, please. This is an argumentative supplementary.

Mr. Lundrigan: Mr. Speaker, on a point of order, is it in order for me to ask the House Leader where all the ministers are today? Five ministers are absent who, according to the roster system, should be here.

Mr. Speaker: That, of course, is not a point of order. Orders of the day.

GOVERNMENT ORDERS

PUBLIC ORDER (TEMPORARY MEASURES) ACT, 1970

PROVISION OF EMERGENCY POWERS FOR PRESERVATION OF PUBLIC ORDER

The House resumed from Friday, November 13, consideration in committee of Bill C-181, to provide temporary emergency powers for the preservation of public order in Canada—Mr. Turner (Ottawa-Carleton)—Mr. Honey in the chair.

The Chairman: Order. House again in committee of the whole on Bill C-181, an act to provide temporary emergency powers for the preservation of public order in Canada. When the committee rose on Friday, November 13, 1970, clause 7, as amended, of the bill was under consideration, with an amendment proposed thereto by the hon. member for Broadview, which reads as follows:

That clause 7(1) be amended by striking out all the words in the said clause after the words "pending his trial" in the third line thereof so that the subclause would read:

"a person charged with an offence under section 4 shall be detained in custody without bail pending his trial unless an order for his release on bail is made by a court having jurisdiction under the Criminal Code"; and

That subclause 2 be deleted.

Shall the amendment carry?

Public Order Act, 1970

On clause 7—*Detention.*

Mr. Gilbert: Mr. Chairman, when I moved the amendment on Friday, I commenced by saying that prior to the implementing of the War Measures Act, and the regulations thereunder, and also prior to passing Bill C-181—

The Chairman: Order. I wonder whether the committee would agree with my suggestion that we have a degree of quietness so we can hear the hon. member for Broadview speak to his amendment.

Mr. Gilbert: Thank you, Mr. Chairman. I was saying that prior to the implementation of the War Measures Act and the regulations thereunder, and also prior to the passage of Bill C-181, the Minister of Justice was considered one of the more progressive reformers in this House. The reason I say that is that his handling of the languages bill and the amendments to the Criminal Code indicated not only that he was progressive but that he was a man who was conciliatory in the matter of amendments, one whose position was flexible and certainly possessed of understanding.

Thus far, the minister has refused to budge on any amendments proposed to Bill C-181, not only by members of his party but also by members of the opposition. I am sure the Minister of Justice does not want to mar his reputation as a progressive reformer, and doubtless he is concerned at the reaction of certain people to the War Measures Act and to this bill. I am sure the minister is aware of articles in the newspaper written by James Ayres and other writers, as well as some university professors. I hope that in considering not only clause 7 but some of the remaining clauses of the bill the minister will change his attitude to the amendments that will be brought forward.

In introducing my amendment to this clause, I could do no better than remind the committee of the words used by the minister in June of this year when he introduced a bill to reform bail procedures, particularly since the clause we are discussing relates to bail. Rather than giving an attorney general discretionary power, we feel that the judge before whom an accused appears should be given the power to make the decision as to bail. When he introduced the amendments regarding bail in June, the minister said that at present many people are unnecessarily subjected to arrest, though other means such as a summons might be perfectly adequate to secure the ends of justice. He also said that too many people who have been arrested are held in custody pending trial, and are thereby exposed to the various indignities of pre-trial detention.

I could not agree more with the minister. In addition, the 447 people arrested under the War Measures Act, of whom 283 were released, 64 detained and 41 charged, indicates the high proportion of those who were perhaps unnecessarily arrested, 283 of them, as I say, having been released. Perhaps this underlines the necessity for seriously considering the bill clause of this bill.

As the minister said in his statement, the criterion for granting bail should be based on the likelihood that an accused will turn up for his trial, as well as on the

secondary consideration whether a serious offence would be committed while he is out on bail. The minister will probably implement these criteria in his bail bill. He well knows the provisions of this clause which give the attorney general discretionary power in the matter of bail.

• (3:00 p.m.)

I would remind the minister of his press release in which it is stated that the objectives of the arrest and reform bail bill are fourfold. The first objective is to avoid unnecessary pre-trial arrest and detention, for the initial decision to arrest is the decision which activates the criminal law process. It sets the administrative machinery in motion and is the citizen's first confrontation with the criminal law process. This initial confrontation may well have a determining influence on that citizen's reaction to the law generally and the criminal law sanction in particular. I cannot agree more, but I am just wondering what happened to the attitude and interest that has prevailed so far in respect of the 283 who have been arrested and released and the 61 who are still being detained.

The second criterion is to insure that in cases where arrest, with or without warrant, has taken place the person accused, whatever his means, is not unnecessarily held in custody until his trial. Again, when you read that it indicates the necessity of having someone present both on behalf of the accused and the Attorney General in respect of the determination of bail, rather than giving the Attorney General the right to determine for a period of time whether or not a person should be released.

The third criterion is to insure an early trial for those who have been detained in custody pending trial. Again, I am sure the Minister of Justice must cringe at times when he thinks of the way these people have not only been arrested but been retained in custody and, in many cases, refused permission by the authorities to contact relatives, friends and counsel. I appeal to his instincts of justice in respect of this particular amendment.

The fourth criterion the minister suggests is to provide statutory guidelines for decision making in this part of the criminal law process and thereby mitigate against the possibilities for discriminatory injustice in the decision to arrest, hold for custody, admit to bail, etc. He probably has summed it up beautifully with that phrase "the possibilities for discretionary injustice". I think we have had an example of discretionary injustice with regard to arrest and holding. Now, the minister wants to continue this discretionary injustice with regard to the matter of bail.

The minister said that the bail reform bill will continue to humanize the administration of criminal law in Canada. The right to bail should not be the prerogative of the rich and detention the plight of the poor. He further observed that an accused person should not be subjected to detention without good reason. When we talk about humanizing the law and not subjecting a person to custody without good reason, we are reminded of Section 2 (12) of the Bill of Rights which the minister is now incorporating as part of Bill C-181. Yet, at the same time he deprives a person of the right to reasonable bail without just cause, even though this provision is contained in the Canadian Bill of Rights.

I find it very difficult to criticize the Minister of Justice, who has had the reputation of being so progressive and humane in the past in respect of this particular matter, but I think events and facts have clearly shown that there has been a great deal of injustice in respect of the arrest and holding of persons. The Minister of Justice could show this tendency to humanize the law by accepting the amendment regarding determination of bail.

If the criterion for bail relates to the appearance of the accused at trial and also the possibility that a serious crime might be committed, surely that determination could be made by a trial judge on the representations of Crown Counsel, speaking on behalf of the Attorney General, and defence counsel speaking on behalf of the accused. This is one way the minister could show some compassion for people who are detained in jail, by not having the Attorney General impose discretionary injustice but rather by having the trial judge impose discretionary justice.

It is for these reasons we move the amendment. I have always thought the Minister of Justice earned his title in the full sense and I would hope he will not quickly earn the title of minister of injustice. If he continues with his attitude concerning amendments to this bill, it may be that he will be suitably tagged with the name of minister of injustice.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the hon. member has recited my words on the introduction of the bail reform bill which we hope to re-introduce in this House shortly. I stand by those words. I think no one seeks a more contemporary and compassionate, human and flexible criminal law process in this country than I. I have been encouraged by the support I have received over the last two and a half years from the hon. member on the standing committee, as well as from hon. members on both sides of the House.

We are dealing with an extraordinary situation. Insofar as the particular threat to which this bill addresses itself, namely the FLQ, we are not dealing with the ordinary tenor of the criminal law. I tried to explain at the second reading stage of this bill why it was that existing provisions of the criminal law were inadequate to deal with this politically organized criminal conspiracy. I also tried to describe to the House why it was that we sought for a specific purpose, and for a limited period of time only, certain extended powers to be exercised by law enforcement officers in this country under the direction of provincial attorneys general, namely increased powers to arrest and to detain for a limited time, of search and of suspension of bail.

I continue to think that in dealing, in ordinary circumstances, with crime in this country, bail should be considered to be an inalienable right if sought for just cause, and that the primary purpose of bail is to insure that an accused shows up for his trial. The secondary purpose is to insure that releasing an accused on bail will not

prejudice the public interest in the sense that an accused might tend to re-commit a crime, cause violence to others, intimidate witnesses and so on. Because of the nature of this FLQ conspiracy I am of the view that the second feature, namely the public interest, would not be served by this bill with the adoption of this amendment.

• (3:10 p.m.)

The very nature of the seditious objectives of the FLQ is to attempt, or promote, the overthrow by violent means, by force or by crime, of the government of Quebec or Quebec in its relationship to Canada. There is more than a little evidence to indicate that members of organizations like the FLQ if apprehended, arrested, and then allowed to go free on bail, following the ordinary principles of law would be tempted to escape the country or to seek and perhaps be granted refuge in other countries. The ordinary extradition laws do not reach out to these cases. What is perhaps more important, I think it would be unrealistic to ignore the fact that given an organized conspiracy as we have here, the likelihood of frustration of the measures taken by the law enforcement authorities would be high if released members of unlawful organizations such as the FLQ were able, when released, to make contact with other conspirators.

I think we are entitled to assume in this case that the risk of intimidation of witnesses would be extraordinarily high. I do not say I am not sensitive to the remarks the hon. member addressed to me or to the way he put them. Were we dealing with the ordinary scope of the criminal law, then I would be most receptive to them. But I have stated on a number of occasions that this is not an ordinary criminal measure but is an extraordinary criminal measure to deal with an extraordinary threat. I say to the hon. member that in terms of this bill his amendment would be meaningless because, as a practical matter, this is what would happen if subclause 1 of clause 7 were repealed altogether and nothing substituted therefor. In short, the government recognizes the extraordinary rule embodied by subclause 1 of clause 7, but it is a rule designed to meet an extraordinary situation. The primary purpose of the provision is to ensure that members of the FLQ and their supporters, who are to be proceeded against under law, will not be in a position to frustrate these proceedings by being allowed to escape justice or interfere with the trial by intimidating witnesses or otherwise.

Because the information relating to conspiracy is in the hands of the law officers who are responsible to the Attorney General, and because of the fact that the Attorney General will be responsible to the legislature of the province and will therefore be responsible to the people, I prefer that these extraordinary measures, namely the suspension of bail by discretion, be in the hands of the Attorney General. He will be accountable for the administration of these extraordinary measures during the six months' period which this bill has to run and I would rather not impose upon the judiciary the responsibility of being a party to the suspension of bail. For these reasons, I urge the committee to refuse this amendment.

Mr. Woolliams: Mr. Chairman, would the minister permit one question. It is a very simple question. In respect of association, such as that involving the FLQ, I think that if someone were charged and obtained bail, provided it were permitted, the laws of extradition between here and the United States might not apply.

Mr. Turner (Ottawa-Carleton): That is the advice I have been given. I should point out that when we talk about the suspension of bail we are dealing only with a person charged with an offence under clause 4, namely membership or participation in the FLQ. The suspension does not attach the other offences.

Mr. Orlikow: Mr. Chairman, like the hon. member for Broadview, I have always been sympathetic to the excellent statements the Minister of Justice has made concerning the extension of the system of bail to permit people who have been charged with an offence, who are known in the community and are not likely to disappear, to be permitted out on bail until their trial. Therefore, despite the difficulties the Minister of Justice enumerated, I am rather perplexed about what is going on at the present time. I do not question the right, and indeed the duty, of the government to keep in jail until they come to trial people who have been charged with offences such as kidnapping, dynamiting and so on, and possibly even membership in the FLQ.

However, there were people arrested almost a month ago who have been charged with sedition who may or may not be guilty. I assume that when their cases come up for trial the courts will decide whether or not these people are guilty. Some of them may be found guilty, but some of them may well be found to be innocent. Although I hold no brief for them, some of these people are quite well known and are not likely to disappear. Some of them hold important positions in the province of Quebec. Yet, some of these people who were arrested in October may not come to trial until January or February and the trial may continue for a month or so. These people could be locked up in jail for a period of four to six months. I think this is an extremely serious matter. Unfortunately, as indicated by a survey carried out by CTV and released yesterday, a majority of the people of this province believe these people are guilty and should be very heavily punished. However, it well may be that many of these people who will have spent some four to six months in jail will be found to be innocent.

It seems to me the situation we have before us now is very different from the situation the minister had in mind until very recently. I must say to the minister that I am not at all convinced by the argument he has put forward this afternoon concerning the need to keep these people in jail until their trial. While he did have the co-operation of members on this side in the past, I want to tell him that if he continues doing what he is doing now that co-operation will not be forthcoming in the future.

Mr. Lewis: Mr. Chairman, if I may, I should like to deal very briefly with the minister's reply. I want to say

first, as I did in connection with another amendment last Friday, that even if it is admitted that certain additional powers are needed by the police, such as the right to search without warrant and to detain for a certain number of days without charge, surely members of the committee and the minister himself must be bound by the determination that these extraordinary powers not be extended one iota beyond what is absolutely essential. The minister, it seems to me, simply has not convinced anybody yet that this particular power in the hands of the Attorney General can conceivably be essential to achieving the purposes for which this bill is before the committee.

• (3:20 p.m.)

The question is not whether a charged person is kept in jail or not. I cannot decide that, nor can the minister. The question is who will determine whether that person is to be kept in jail pending trial or whether he is to be let out on bail. A basic principle is involved here, namely, whether or not it is right to leave that determination in the hands of a political officer, who is advised by the police who will always find it more convenient to keep somebody in jail rather than to let him out on bail. I ask the minister: has he so little confidence in the judiciary in Quebec or elsewhere that he has to deprive the judiciary of their normal right to make that decision? All the arguments which the minister gave for making the decision as to whether people charged under clause 4 should or should not be given bail he can make or counsel for the attorney general of Quebec can and would make to the court. Counsel would indicate to the court that the person is likely to escape from the country and that extradition would not apply. Counsel would likely indicate to the court the danger that if the man or woman is let loose he or she will have direct contact with the conspirators and continue committing an offence. Counsel would likely indicate to the court the danger of the intimidation of witnesses, and use all the other arguments which the minister gave. If those arguments are valid, if counsel can present to the court some reason for his assertion, I have no doubt that the court would refuse bail, as courts have done in extreme cases of that sort even when the ordinary law is applied.

The issue that is involved is that the minister gives the attorney general of Quebec the power simply to file a certificate in which he states that in his opinion just cause exists for this man to continue to be detained, or whatever the language may be. The court has no discretion, and counsel for the accused has no possible ground for argument. The attorney general has spoken, and that is it.

May I remind members of the committee that the minister made clear, I think on Friday, that the attorney general would not be required to state the reasons for his assertion that there was just cause. I am right in that, am I not? I am sure I am. The minister said that all the attorney general would be required to do would be to state in the certificate that in his opinion just cause exists. Then, the man would be denied bail on the word of the attorney general without inquiry by an independent judge and without the counsel for the accused being able to argue against it because there would be no argument. The attorney general has spoken, that is the word of the Lord.

The principle that is involved is one that our law has recognized for centuries, namely, that you cannot leave the question of whether a person charged is to remain in jail or be let out on bail in the hands of a law enforcement officer who will always find it more convenient to have the accused in jail and who will always have an argument for refusing bail. The minister should not reject that principle and throw it out the window without much more reason than he has given us.

I repeat, I am not arguing whether a certain person or a number of people should be in jail or should be freed on bail. I am saying that the decision should be made by the judge and not by the police, because the attorney general does not make that decision on his own but makes it on the recommendation of a police officer. He has even greater difficulty in refusing to take the advice of his police officer than the judge would have in taking or refusing to take the advice of counsel for the attorney general in court. Therefore, in practical terms, it would not even be a decision of the attorney general. That is what our law has always tried to avoid.

I cannot understand the logic of the minister. May I put it in the same terms as I did in respect of another amendment last Friday. The kidnappers and murderers of Mr. Laporte will have the matter of whether or not they receive bail argued in court and decided by the judge, but someone arrested for committing an act prohibited under clause 4—which to my mind is much less reprehensible than the act of kidnapping and murder—will have no say as to whether or not he should obtain bail. The attorney general himself will make that decision. I cannot understand the logic of that. I cannot understand why the murderers of Mr. Laporte should have greater rights in the courts of Quebec than a person charged with being a member or attending meetings of an assembly or group or an association alleged to be Le Front de Libération du Québec.

To my mind, it is completely unacceptable that this group of men and women who are not by definition charged with any other offence—because if they were charged with another offence, whether sedition, treason, kidnapping, murder or possession of offensive weapons they would come under the criminal law and all the rights with respect to bail would be theirs in court—but only with the offence of being members of the FLQ, will have less rights than a man who committed murder as part of the criminal conspiracy of the FLQ. That seems to me to be totally illogical. I do not see how the minister can insist on this provision being necessary to achieve the purposes for which the bill has been introduced.

Mr. Turner (Ottawa-Carleton): I want to reply briefly to the additional remarks addressed to the committee by the hon. member for York South. I think I should impress upon the committee that what we are dealing with here is not the automatic suspension of bail but suspension of

bail only on a certificate signed by the attorney general. That certificate cannot be delegated, it is not something that can be done by the police. It has to be done by the attorney general on his own authority.

Mr. Orlikow: Where does he get the information?

Mr. Turner (Ottawa-Carleton): I do not think the hon. member for York South wants to leave the impression that the attorney general is not accountable. He is more accountable than anyone in the judiciary. He is accountable to the legislature and to the people of the province.

Some hon. Members: Oh, oh.

Mr. Turner (Ottawa-Carleton): Oh, yes, it has been part of the tradition of the British parliamentary system that the attorney general, whether he be the attorney general in parliament or in a legislature, must be an elected officer of the government and must be responsible as Member of Parliament or as a member of a legislature to the people through his elected position.

Mr. Douglas (Nanaimo-Cowichan-The Islands): That is political accountability, not judicial accountability.

Mr. Turner (Ottawa-Carleton): Political accountability is one given to him under this bill for the operation of an extraordinary provision of law, a provision of the law that is likely to be controversial in its administration, and I recognize that. That controversy is something for which the attorney general should bear responsibility. I would not want to involve the judiciary in that type of controversy. When I have the honour, I hope, to introduce a bill on electronic eavesdropping or wiretapping, I think the responsibility for issuing any warrant to wiretap should not lie with a judge but should lie with the attorney general of a province or with the Attorney General or Solicitor General responsible to this Parliament. The reason for this is the same, that when you are dealing with something that involves the discretionary side of the administration of justice, the person using this discretion ought to be held accountable to the people. One should not involve the judiciary in that type of accountability.

• (3:30 p.m.)

As I have stated, there is no automatic suspension of bail here. The suspension will have to be made on a certificate by the Attorney General, not the police but by the Attorney General, and the police after all are accountable to him. The Attorney General is responsible for the police or for their administration, or mal-administration, whatever it may be. So, there is no breach in that link of accountability beginning with the police, through to law enforcement, to the prosecution, up to the Attorney General, from the Attorney General to the legislature, and on to the people.

I think, Mr. Chairman, I have made the points I wanted to make. We are dealing with a dangerous conspiracy that has proved how lethal it can be, and because of that I think that to allow the ordinary provisions of bail to apply would defeat the purpose of this specific, short-term piece of legislation. The FLQ is just not an ordinary group of citizens but a group of people dedicated to the overthrow of government by violence and in a seditious manner. To allow that type of person out on bail if apprehended—and apprehension is obviously difficult as current events demonstrate—with the possibility of intimidating witnesses, or reconstructing the conspiracy, or threatening life, is something we have to contend with within the terms of this bill. I do that, taking full cognizance of the purport of the remarks that have been addressed to me.

I would not be introducing this type of measure in the general scheme of things were we living in different times, and as soon as I can I will be continuing in Parliament with the type of measure which is more palatable to me in terms of bail reform, the law relating to arrest, and the rest of the legal reform program that we have been introducing over the last two years. But, Mr. Chairman, this is a specific measure to meet specific circumstances and I must take cognizance of it in that respect.

Mr. Barnett: Mr. Chairman, I find the logic of the minister quite extraordinary. If one were to follow his argument to a logical conclusion, his theory of the political accountability of the Attorney General, one is led to the idea he is suggesting that we should abolish the courts altogether. After all, if the Attorney General is responsible to the legislature, and through it indirectly to the people, why not allow him to decide "off with his head" in respect of an accused?

Mr. Woolliams: What manner of nonsense is this?

Mr. Barnett: Surely, the Minister of Justice is not trying to suggest seriously that decisions that affect the life and death, or freedom and captivity of individual citizens should be handled through the process of what he calls political accountability? I have tried to follow the minister's argument in support of this bill through its various stages, but I find myself feeling more and more as though I were in an Alice in Wonderland atmosphere.

In his most recent remarks, the minister again referred to a very serious conspiracy. There are certain facts that have been reported in this House. The kidnappings have been reported. The murder of a minister of the Crown of the province of Quebec has been reported. But, Mr. Chairman, so far as the records of this House go, we have not had anything more than pure hearsay about this conspiracy with which clause 4 of the bill is designed to deal. I am just wondering how much research someone 50 years from now would have to do to find any real evidence in the records of this House concerning this conspiracy to which the minister keeps referring, and referring, and referring.

Like other hon. members I have hearsay knowledge. The minister, having a closer association than I with the area in which the conspiracy developed—

The Chairman: Order. I wonder if the hon. member would like to come quickly to the relevant part of his remarks on clause 7 with which we are now dealing, the matter of bail and the method of granting bail?

Mr. Barnett: Mr. Chairman, it is my humble submission, to use an expression I have heard, that I was right on that point because the minister is asking us to agree with him that the normal right to bail should be suspended on the ground that there exists a serious conspiracy to overthrow government by violence. What I am suggesting is that there should be something more than hearsay on the records of this House, something more than argumentative dissertations from the minister and other members of the government, to assist members of the committee in making a decision on this point.

I have been wondering on a number of occasions why the minister has never tabled in this House any form of documentary evidence in respect of the conspiracy. I have heard reports of a broadcast in Quebec concerning some document which I think has been referred to as a manifesto. Why does the minister not table a copy of that document, if it exists, so that we may have a first hand and official chance to examine it?

Is there other documentary evidence of statements made by members of the FLQ that the minister could place before the House, that could form part of the official records? The minister is repeatedly asking us to turn over extraordinary powers to the Attorney General of a province in order to administer a special law. Why is it that the government has not placed any documentary evidence concerning this whole matter in the records of this House? Can the minister explain that?

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Gilbert) negatived: Yeas, 11; nays, 46.

The Chairman: I declare the amendment lost.

Shall clause 7 as amended carry?

• (3:40 p.m.)

Some hon. Members: Carried.

The Chairman: Shall clause 8 carry?

Some hon. Members: Carried.

Mr. Gilbert: Mr. Chairman, I wish to speak on clause 7, and I must ask you to refer back to clause 7.

Some hon. Members: It was carried.

Mr. Gilbert: Mr. Chairman, I am sure you just did not see me. You were looking to the right.

Some hon. Members: He was not up.

The Chairman: The Chair has to confess that it did not see the hon. member. We will now hear the hon. member for Broadview on clause 7.

[Mr. Barnett.]

Mr. Gilbert: Thank you, Mr. Chairman. This just indicates your impartiality and spirit of fairness; I appreciate your consideration.

I now move that subclause (3) of clause 7 be amended by striking out the word "ninety" from the tenth and fourteenth lines and substituting therefor the word "thirty". The subclause would then read:

(3) Where a person who has been charged with an offence under this Act is being detained in custody pending his trial, and under the trial has not commenced within thirty days from the time when he was first detained, the person having custody of the person charged shall forthwith upon the expiry of those thirty days, apply to a judge of the Superior Court of criminal jurisdiction in the province in which the person charged is being detained to fix a date for the trial, and the judge may fix a date for the beginning of the trial or give such directions as he thinks necessary for the commencement of the trial.

It is a very simple amendment, to strike out the word "ninety" and replace it with the word "thirty". We feel that ninety days is a very long time.

The Chairman: There does not appear to be a copy of the amendment here.

Mr. Woolliams: On a point of order, Mr. Chairman, could I make a suggestion? The amendment is very simple and while someone is preparing it could we not make submissions? There has been some delay and I do not see that it would do any harm. Surely, hon. members would agree to that.

The Chairman: The Chair now has the amendment in writing, so perhaps I could put it. It has been moved by the hon. member for Broadview:

That clause 7, subclause (3) be amended by striking out the word ninety from the tenth and fourteenth lines of the said subclause on page 5 and substituting therefor the word thirty.

Shall the amendment carry? The hon. member for Broadview.

Mr. Gilbert: I am sure the Minister of Justice will approve this amendment and see the fairness of it. I am sure he would be the last person to have anyone detained in custody for 90 days before being brought to trial.

Under the wording of the clause not only is someone detained for 90 days, but when that person is brought before the judge the judge may, not shall, fix a date for the trial. Experience has shown that this is a very harsh way of treating any person charged with and not only is it contrary to the minister's spirit of fairness and justice but it strikes very hard against the opinions of people right across the country. As the hon. member for Timiskaming has just said, it strikes against the fundamental principles in the Bill of Rights.

I can almost anticipate what the minister is going to say. He will say that when a person is charged under the Criminal Code he could be detained much longer because when he appears for trial the Crown could ask for successive remands which may exceed 90 days. This does happen under the Criminal Code. Sometimes an accused cannot be brought to trial for four or five months for various reasons. The minister says that this is an extraordinary bill to cover a particular situation. It seems that

he would be the last person to have someone detained for 90 days, and then brought before a judge to whom he gives the discretionary power with regard to fixing the date for trial.

It may be that the minister feels that 30 days is a little bit too short for the preparation of the case. If the minister feels that 45 days would be more appropriate for preparation before a person is brought to trial, I would be quite prepared to accept his amendment. The way the clause now stands certainly imposes a hardship on the accused. I think the government should appreciate that difficulty and be prepared to agree to the amendment.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, there are no existing provisions of the Criminal Code which would aid any accused who has been refused bail in accelerating his trial. The hon. member for Broadview alluded to that. The present provisions of the Criminal Code provide no means for an application for accelerating the trial of any accused held without bail. For that reason, in the bail reform bill to which we have alluded earlier, I incorporated a provision that if bail were refused then the accused would be entitled to apply at the end of 90 days to set a date for trial.

The bail reform bill would achieve this improvement in the law. I discussed with my officials whether 90 days was an appropriate period and, taking into consideration the difficulties that might arise for both the prosecution and the defence, I was assured that 90 days was fair and to reduce it might prejudice the administration of justice.

Subclause 2 of clause 7 is designed to assist the accused because, in our opinion, if he is held without bail he is entitled to an accelerated trial. The reason subclause 2 is there is that under subclause 1 of clause 7 he could be held at the order of the Attorney General without bail. I should point out as well that if clause 7 subclause 1 had disappeared as a result of the earlier amendment by the hon. member for Broadview, then the rationale of subclause 2 with which we are now dealing also would have disappeared.

I would point out to the hon. member for Broadview that if both his proposed amendments, namely the amendment to subclause 1 of clause 7 which was just defeated by the committee and the amendment to subclause 2 of clause 7 now before the committee, were passed it would place members of the FLQ in a better position than that which currently obtains with respect to other citizens subject to criminal proceedings.

With respect I submit the committee should reject the amendment.

• (3:50 p.m.)

Mr. Woolliams: I will say at the outset that I support the amendment. With the greatest respect, I cannot accept the minister's argument in connection with the Criminal Code. It is true that sometimes people are kept 90 days awaiting trial, or 100 days, but the fact remains that as the code is currently set up an accused person can get his case before the courts without any undue delay. He can go before a magistrate, skip the preliminary hearing on an indictable offence and then ask for a speedy trial before a county court judge or, in certain provinces such as Alberta, before a supreme court judge, waiving the right to a jury even at the high court level. I have known cases where, after the charge has been laid, there has been refusal or reluctance on the part of the Crown to get on with the job. Defence counsel then picks up the telephone or goes into the office of the chief justice and says: Look, I want to make a move. The judges are always anxious to get on with the job, and I am sure I speak for all provinces. So, the machinery under the code is such that in a few days an accused person can get to trial if he so wishes.

In some instances, of course, when people who are in jail have no counsel, there are abuses, but the law is there to expedite justice. I believe 90 days is far too long. In fact, I have some doubt about 30 days, but I am prepared to accept the amendment; I shall not delay the committee. We on this side have said very little about these amendments but as far as we are concerned we do not accept the argument of the minister that this provision really puts a man in a better position than one who is charged under the Criminal Code. In my opinion, in plain ordinary language, that is hogwash. There are procedures under the code by which a speedy trial can be obtained. Even if a case is to go to a jury, an accused can get it heard before 90 days have gone by if defence counsel is on his toes. In my opinion, 90 days is too long. Even then, as the hon. member for Broadview pointed out, the accused has to make application to a judge who may set a time for trial. So the case may not get to trial for 120 days.

I am surprised at the attitude the minister is taking. This is what is delaying the passage of this bill. Surely, we thought, the Minister of Justice would accept reasonable amendments. But it seems he has closed his mind. Somebody in the bureaucracy has handed him a bill and he intends to stick with it at all cost. If he had accepted some of the reasonable amendments which all parties in opposition have put forward, the bill would be through by now. All of us are concerned about the length of the period which accused persons spend in detention. This is the time to ask questions because immediately the bill becomes law I can hear the minister saying: Oh, this is a provincial matter within the jurisdiction of the provincial attorney general. I asked him today whether the police of Quebec were incompetent or infiltrated. I want to know. If anyone can hide in a cupboard like old Mother Hubbard, it is time we got some answers from this government. The minister and his hon. friends brought in the War Measures Act and now they are bringing in legislation to replace it. As soon as there is any problem, we are told this is a matter for the province of Quebec.

Mr. Peters: I was very interested in the remarks the minister made in relation to the Criminal Code and the delays that have taken place. As lay people, most of us are not aware of those delays unless we are charged with an offence, but when we do learn about these cases we do

not like them. The minister is wrong in saying that it does not matter whether similar delays take place under the legislation he is putting forward.

In my opinion all of us should be trying to limit the delays which can take place under the Criminal Code. As the old saying has it, justice delayed is the same as justice denied. In this particular instance, the minister has especially good reason to make sure there is no unreasonable delay, because we are dealing here with a political bill. If people are charged with treason, for example, under the Criminal Code, they will be dealt with according to the provisions of that code. But we are passing a political bill. We are creating a political party where no party existed before and, at the same time, we are outlawing that party.

It seems to me that justice will not be served unless we act speedily. I have always been confused by charges which are laid and which are never withdrawn but which are never proceeded with, either. I am thinking of a case which concerned me. I was charged under the terms of some remote section of the code having to do with an injunction. This took place 15 years ago and I have heard nothing about it since. However, I imagine I am not supposed to go back to that particular property. The case is still pending, it seems, and I suggest this is not very fair. I urge the minister to reconsider his attitude. I am aware it is said that the accused person is often better served by delay. Sometimes Counsel will try to wait until the judge dies. Sometimes the delay arises because of difficulty in getting witnesses; sometimes it is the fault of the Crown. In many cases it arises through the inefficiency of the courts. In any case, I believe the minister is wrong in implying that a long delay is warranted.

This is a political bill and the charge will be a political charge. This being so, it seems to me these matters should be settled in the courts as soon as possible. I certainly hope that the courts will be ready to deal with these political crimes expeditiously. I believe it is improper to relate the circumstances here to circumstances under the Criminal Code. Some of the delays which take place in proceedings under the code may be justifiable, but here, when we are dealing with a political crime, action should be taken as speedily as possible. I hope the minister will reconsider his position.

Mr. Fairweather: I am disappointed at the attitude which the minister has taken towards this amendment. As to the response of the opposition, I believe he would get the same answer with respect to almost any bill which he brought before the House dealing with timetables for trials.

There is absolutely no reason, in my view, why, after 30 days, the Crown should not be prepared to proceed. We should bear in mind the very wise observation made by the hon. member for Timiskaming. This bill creates a new crime. I am not greatly interested in what the code may or may not say about any particular crime because it has been put in statute form over many years and there are precedents and so on. That is why I deplore the fact that people are anxious to get on with this. Some are so irresponsible as to say the bill should be passed in one or two days.

• (4:00 p.m.)

This new crime is retroactive in its scope. I think the minister will want to ensure that the techniques for trial are the most sensitive and sophisticated that can be evolved by the law officers of the Crown. I will be resisting any attempt or excuse by law officers to include a convenient 90-day period. I suggest the minister should be much more flexible in his attitude towards this clause.

I will be supporting this amendment and many others. All this amendment does is limit the period of detention before trial. If the procedures cannot be completed within 30 days then, as my friend from Calgary North says, there should be an investigation into what is the matter with the administration of justice in the province of Quebec. If anyone has read the speech made by the Quebec Minister of Justice in the national assembly a couple of days ago, he will be even more suspicious about this type of legislation coming before this Parliament.

Mr. Turner (Ottawa-Carleton): I wish to say a few words relating to what the hon. member for Fundy-Royal and the hon. member for Calgary North said. This is not a minimum period, it is a maximum period. The words read:

—and the trial was not commenced within ninety days from the time when he was first detained, the person having the custody of the person charged shall, forthwith upon the expiry of those ninety days,—

Of course, it would be open to counsel within the 90 days to proceed with an application to set a date for trial. We hope that will happen. This is the outside period within which a date for trial must be set.

Mr. Woolliams: On a question of privilege.

The Chairman: The hon. member on a point of privilege.

Mr. Woolliams: On a question of privilege; the minister has always been very fair in trying to quote people properly. In this case I said 90 days and then an application is made for trial. A trial date might be set 30 days after the 90 days or, in other words, 120 days after the arrest. If an application is made within the 90 days, the judge may set a time for the hearing. Am I not right in that regard?

Mr. Turner (Ottawa-Carleton): Certainly the hon. member is right, but it is open to counsel any time before the expiry of the 90 days to make an application for trial. This application can be made the day following the arrest. That is why the section is phrased, "and the trial has not commenced within 90 days from the time when he was first detained". The 90 days is the maximum period. We all hope, as is the case in criminal matters, that the trial commences as quickly as possible. If there

has been no application to set a date for trial within the 90 days, it then becomes mandatory. In the Criminal Code it is not mandatory, and this provision is to overcome that lack. The bail reform bill also includes the provision of 90 days.

Mr. McCleave: I wish to direct a question to the Minister of Justice. Before doing so, may I preface it with an observation. If a person is in jail and his case has not been set for trial within 90 days, public suspicion would inevitably develop that no case existed against the person or that the authorities were trying their darndest to round up some evidence to use against him. That would be a natural inference from such a circumstance.

It has been stated many times that the provincial attorneys general are administering this particular measure, although for practical purposes this means one man, the Attorney General of the province of Quebec. We are dealing with the administration of justice, bringing an accused into court. We have to consider the workload of the courts in the province of Quebec. Have the officials of the Department of Justice been in consultation with the Quebec Department of Justice to determine this 90-day period?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, when I met the provincial attorneys general in Halifax in July, we discussed the bail reform bill. At that time all the provisions of that bill were thoroughly canvassed, as they were by the commissioners on uniformity of law in Prince Edward Island in the first week of September. The maximum period was discussed. It was the opinion of the attorneys general and their advisers that this maximum period was in keeping with the case load of criminal matters in Canada. For that reason I accepted 90 days as the maximum period for the purposes of the bail reform bill. I drew on that experience for the purposes of this legislation. The 90 days applies in those cases under the bail reform bill where bail has been refused.

Mr. Lambert (Edmonton West): Mr. Chairman, this is my first intervention in the debate on this particular bill. I make no apology for intervening at this time, particularly in view of the remarks made by the Minister of Justice. This is exceptional legislation, therefore we must take exceptional care that everything shall be done properly.

This is one of the clauses in this bill that has disturbed me. One can readily conceive of a person being held without bail for a period of almost 90 days and then having a trial judge set a date for trial three months hence. What if that person is then found to be innocent? The net result would be that the apprehended person would be held without bail for five or six months. What are the consequences? He has lost his job and his reputation has gone out the window. There must be no suggestion of guilt by association. Unfortunately, in this particular case 450 people have been found guilty by association. Let's not have any illusions.

[*Translation*]

They were all lumped together and accused of the same offence. Each individual's reputation has been affected without distinction, innocent and guilty alike.

[*English*]

We Canadians, with our love for civil rights, must not do anything under any circumstances to interfere with those rights. My practice is not criminal law. Hon. members know that I am in favour of law and order, but I am absolutely revolted by some of the provisions in this particular bill, not with regard to apprehending but after apprehension. That is my point. It is almost as though we were devising a modern day lettre cachée. I suppose that 90 days, in this day and age, could be compared to five years in the bastille.

I fully support the amendment. Once a person has been charged, appeared before a magistrate, pleaded, and bail has been refused he has a right to counsel. There is no denying that counsel should then apply to set a date for trial. Remembering that this is a special remedy we are seeking I think the courts and the representatives of the Crown would be very loth to abuse their position by asking for a deferment knowing that the individual concerned could be found innocent and indeed is innocent until proved otherwise. I do not find this period of 90 days in any way acceptable.

• (4:10 p.m.)

May I come back to the argument made by my colleague from Calgary North and others. It is absolutely incomprehensible to me that in passing this legislation or accepting the regulations made pursuant to the War Measures Act the Parliament of Canada should take a Pilate-like attitude and say that all abuses are the responsibility of this or that attorney general. This is not good enough. The responsibility is ours. It is this government that invoked the War Measures Act; it is this government that is passing this legislation in substitution therefor; and it is this government, the government of Canada, that will pass legislation of a more permanent nature.

For this reason we have to be more than careful to protect the rights of people. It is on this basis that I plead with the minister to accept what I think is a very reasonable amendment.

[*Translation*]

Mr. Goyer: Mr. Chairman, I share the opinion of the members of the opposition who find a little shocking that a person should have to wait quite a long time before going on trial and that this prolonged delay may indirectly prejudice his future and his status as a citizen and a worker. However some persons detained under other sections of the Criminal Code are also waiting to go on trial and if we should change the rolls to give priority to trials under the bill before us we would do a prejudice to those presently detained for an offence under the Criminal Code. We would grant a privileged status to those arrested under the Public Order Act 1970. I do not think that doing wrong to others will rectify the injustice done to those who were arrested under Bill C-181.

Furthermore I do not think that these people should be treated in a special way. They are common law criminals like anybody else arrested under the Criminal Code and I believe that they should be considered according to the same rules of justice.

The fact that the hon. Minister of Justice (Mr. Turner) is telling us that the provincial attorneys general were consulted and that the Quebec Minister of Justice approves the clause we are now considering is reassuring.

I think we should avoid the very protective attitude adopted by certain hon. members when it comes to the prerogatives of a government that has the same rights as the central government from a constitutional point of view. I feel that this attitude is wrong.

The government of the province of Quebec as any other provincial government in Canada enjoys its own autonomy and we must not judge it as if we were on a higher plane. The provincial governments are entitled to the same respect and prerogatives as we claim for ourselves.

Mr. Lambert (Edmonton West): Mr. Chairman, I want to say that any arrests under this legislation will be carried out under very special circumstances.

Common criminals or others arrested under any other legislation must be arrested under a warrant. Furthermore all other requirements of the Criminal Code must be observed whereas under the new legislation they knock at people's doors at night and arrest them without warrant. I therefore feel people thus arrested should be brought to trial before others.

I find it difficult to deal with this rather ticklish matter because the Quebec provincial government will be responsible for the application of the new legislation. However it is emergency legislation we are dealing with not merely legislation applying to the FLQ but of a much more permanent nature.

One should not deceive oneself. We are discussing a permanent law, although it applies for the time being to the province of Quebec. It also mentions people arrested under this law, therefore, one has to study it very carefully. The hon. member for Dollard (Mr. Goyer) should consider clause 14 which has a retroactive effect to October 16; therefore, any person arrested under the War Measures Act will be considered as having been arrested under the measure that is presently before us.

Why? We must think about it. I leave it to the attorney general of my province. It is possible to get the opinion of the attorney general of Alberta or of any other province, because members of other groups or associations could very well spread FLQ ideas in Alberta and be apprehended there.

If I went to Edmonton to shout "Long live this group" or to advocate that the federal government or the government of Alberta should be overthrown, I would be arrested under this act.

[*English*]

The Chairman: Is the committee ready for the question?

[Mr. Goyer.]

Some hon. Members: Question.

Amendment (Mr. Gilbert) negatived: Yeas, 20; nays, 42.

The Chairman: I declare the amendment lost. Shall clause 7 as amended carry?

Mr. Knowles (Winnipeg North Centre): On division.

Clause as amended agreed to.

• (4:20 p.m.)

On Clause 8—*Evidence.*

Mr. Lewis: Mr. Chairman, I rise to move an amendment which is perhaps the most important this committee will have to consider. I want to say that my colleague, the hon. member for Greenwood, intended to move this amendment. Unfortunately, one of his sisters is very ill outside the country and for that reason my friend had to leave, so he asked me to move it. Therefore, I move:

That clause 8 be amended by striking out of the third line thereof (page 5, line 24) the words "either before or" and substituting "16th day of October, 1970" for the words "coming into force of this Act",

So, the clause will read:

In any prosecution for an offence under this Act, evidence that any person after the 16th day of October, 1970—

If any person has done certain things such evidence shall in the absence of evidence to the contrary, be proof he is a member of the unlawful association. I think you may have that already Mr. Chairman. I hope the amendment is clear. Perhaps it might be worded differently, "on or after October 16, 1970" instead of "after October 16th, 1970". It probably should be worded in that way in view of the date, and if the committee will permit me I should like to make that amendment to the amendment I moved.

The Chairman: Would the hon. member repeat the proposed amendment?

Mr. Lewis: You have my copy, Mr. Chairman, but the amendment would be that in place of lines 24 and 25 on page 5 you would have the words "on or after October 16, 1970".

The Chairman: If I understand the hon. member he is adding the words "on or"?

Mr. Lewis: That is right.

The Chairman: Is it agreed that the hon. member has permission to insert those words? I will not read the whole amendment, only the pertinent lines as follows:

In any prosecution for an offence under this act, evidence that any person, on or after October 16, 1970—

Is that agreed?

Some hon. Members: Agreed.

The Chairman: So the amendment now will read:

That Clause 8 be amended by striking out of the third line thereof (page 5, line 24) the words "either before or" and substituting "on or after the 16th day of October, 1970",—

The clause will then read:

In any prosecution for an offence under this Act, evidence that any person on or after the 16th day of October 1970 (a) participated in or was present at a number of meetings of the unlawful association or of any branch, committee or members thereof,

(b) spoke publicly in advocacy for the unlawful association, or

(c) communicated statements on behalf of or as a representative or professed representative of the unlawful association, is, in the absence of evidence to the contrary, proof that he is a member of the unlawful association.

Mr. Lewis: Mr. Chairman, this clause touches upon one of the most obnoxious suggestions in the bill that is before us, the provision for retroactivity, a principle that has been rejected by our law for centuries, particularly in respect of criminal law.

You will note that Clause 4 of the bill makes it an indictable offence for any person to be or profess to be a member of an unlawful association, and makes a person so charged liable to imprisonment for a term not exceeding five years. What Clause 8 does in our view is make evidence that a person had at some time in the last number of years attended some meetings of the unlawful association, or spoken publicly in advocacy of the unlawful association, or communicated statements on behalf of the unlawful association, in the absence of evidence to the contrary, proof that he is now a member of the unlawful association.

My first point is a simple one, that the FLQ or any association analogous to it was not unlawful before October 16, 1970. Membership in the organization before October 16, 1970 was not unlawful. Speaking for the organization before that date, and communicating statements on behalf of the organization before that date was not unlawful, except to the extent that the actions of the members of the FLQ were against the law or criminal acts. Then, of course, they are caught by the ordinary Criminal Code.

In so far as people involved in bombings, or kidnappings or manslaughter as a result of bombings, or robbing banks and other things for which members of the FLQ have in the past been charged, they have been so charged under the ordinary Criminal Code. What this Clause 8 deals with is purely evidence of membership in the FLQ, and I underline "purely evidence of membership", not evidence of any other offence or crime. It deals only with evidence of membership in an organization which did not become unlawful until October 16 of this year. This provision, in our estimation, makes the effect of the law retroactive.

It is true that the clause contains the words "is in the absence of evidence to the contrary, proof that he is a member of the unlawful association". Therefore the offence is being a member of the unlawful association today, but the evidence on which you may be charged with the offence and the evidence on which you may be convicted of the offence is evidence that pre-dates the time when the association in fact became unlawful as a result of the regulations under the War Measures Act, namely October 16 of this year.

It should be noted, first, that this clause does not contain any time limit. It would be a little less reprehensible, although still reprehensible in my view, if it referred to the last three months or back to October 5 when the kidnapping of Mr. Cross occurred, or even if it went back a little further. However, there is no time limit at all. It is obvious that attending some meetings a year earlier, in October 1969, or five years earlier, in October 1964 or 1965, would be evidence under this clause of proof that a person is now a member of the unlawful association.

The attitude of the minister has been such that I cannot say I have much hope he will accept this amendment, but I really suggest to members of the committee that there are few provisions in what is essentially a penal statute which are more unpalatable to any democratic gathering than a provision of retroactivity.

• (4:30 p.m.)

As was pointed out in this committee on earlier occasions, article 11, subarticle 2, of the Universal Charter of Human Rights, which we signed and to which Canada adheres, contains a provision that no one shall be held guilty of any penal offence on account of any act or provision which did not constitute a penal offence under national or international law at the time when it was committed. The point is that anybody who attended meetings or communicated statements on behalf of the FLQ or any analogous organization before October 16, 1970 was doing an act which did not constitute a penal offence under our law at the time when it was committed. The effect of this clause in the bill, in respect of convicting a person for membership in the FLQ or analogous unlawful association, is clearly to make the effect of the law retroactive. It has been suggested in this chamber before that because the membership relates to a time after the passage of the legislation or after the regulation which is now in force, there is no retroactive provision in the legislation. However, I emphasize and repeat that the membership is proved by previous acts or previous advocacy, and the real evidence is not of membership today but of membership before such membership was unlawful, and the evidence of past activity creates a presumption of present membership in the unlawful association.

This itself, of course, is not very often seen in our criminal law. The creation of a presumption of guilt and placing the onus on an accused to prove his innocence, is not contained in very many provisions of our criminal law, although it is contained in some. It is the kind of provision which all our traditions of criminal law condemn and which should not be present except in very exceptional circumstances. You know, Mr. Chairman, I am not seeking a change in that respect. I am not moving

that the reverse onus be removed because that, in the circumstances of this case, may not be possible. But I do say that this places the accused in an impossible position. He attended some meetings three or four years ago. He made some speeches a year or two ago. He is charged and brought into court. The facts of his attendances and of his speeches are established. These are brought before the court through the witnesses for the Crown. What does the accused then do? He gets to his feet and says he attended those meetings three or four years ago, if he wants to admit this and if it is true, but states that he has not done so since. He states he is not a member of any unlawful association.

What does the court then do? All of us who have had any experience in court would be very worried about this kind of evidence in contradiction of the facts which clause 8 would permit, because the court likely would look on this evidence as self-serving and would not be very impressed by the accused making an assertion to the effect that he is no longer a member of the FLQ or never had been a member of the FLQ. Unless the accused could produce some additional evidence to the court to support his assertion, then the likelihood of his evidence being accepted as contrary evidence is very small indeed. So, the onus placed on the accused in this case is very heavy indeed, even if the act were one which he performed after it became unlawful. But it is an impossible burden if he can be charged with being a member of an unlawful association and convicted of being a member of an unlawful association on the basis of acts which he performed at a time when the association simply was not unlawful and when the acts therefore were entirely lawful so far as the law at the time was concerned.

I have been trying to think why this provision is needed if justice is to be served, and I cannot think of any reason other than the same reason that has seemed to justify in the minister's mind the rejection of every other amendment which so far has been put before this chamber. I want to repeat, Mr. Chairman—and this is the foundation upon which our approach to the bill is based—that right from the outset on October 16 my leader, the hon. member for Nanaimo-Cowichan-The Islands, and I said in the speeches we made on that Friday that we recognized there was a criminal emergency in Quebec, and that at that time perhaps it was necessary—we had to say "perhaps" because we did not have the information to justify even this qualified approach—to extend the powers of the police to search, arrest and detain for limited periods. If those powers would help find the members and ringleaders of the FLQ, help to incarcerate and punish them and break up the criminal conspiracy which the FLQ has been and is, then distasteful though it is, if the government came down with legislation we would consider supporting the extension of those police powers.

This I suggest to you, Mr. Chairman, is the absolute limit to which this bill ought to go. Indeed, I want to say that as the days pass one becomes less and less convinced that the bill is at all necessary. One becomes less and less convinced that the serious interference with the rights and liberties of the people is justified by the present situation in the province of Quebec. It is becoming increasingly clear that all the dark hints that were given by ministers of the Crown came out of somebody's imagination rather than out of fact. The conspiracy by these people appears not to have been a conspiracy at all. It would appear that Mr. Laporte was kidnapped by a little group of people who were on their way to Texas, heard of the kidnapping of Mr. Cross and came back to do what they had discussed doing earlier. There did not seem to be any plan. There is no evidence of which I know that is absolutely convincing that even the narrow powers to which I have referred are needed at this time.

However, I am taking on trust, if you like, the general attitude of the authorities in Quebec and here that some expansion of police power is needed to destroy the FLQ. But we ought not in this bill to go one step beyond those powers of search, arrest and detention for a very limited period. When we go beyond that we move in a direction which is unjustified by events in Quebec and which is unjustified by any principle of civil liberties or indeed by any principle of decent and just law, civil liberties on the side.

This particular provision in this bill has been criticized by almost every commentator I have heard, and in almost every editorial and article I have read from across this country. It was criticized I believe only last week by the clergy of a Quebec diocese as reported in the French language press. The clergy plead with the government, and particularly with the Minister of Justice to take out the odious provision of retroactivity in this bill.

• (4:40 p.m.)

I want to emphasize again that what we are dealing with here is purely membership in an unlawful association and committing acts which were lawful before a certain date. The conditions for conviction for membership in an unlawful association is entirely contrary to the spirit of our law and not to be permitted by this committee. I suggest that it will not interfere with the police or with the authorities in their search to destroy the FLQ. We should not create a precedent of retroactivity and I plead with the minister—not with great hope in view of his past attitude—and I plead with members of this committee, I must add not with much hope either in view of the past attitude of government members of the committee to support this amendment and remove the retroactivity from this bill.

We feel that this is a crucial and important point and we ask the committee to deal with the amendment as it should be dealt with.

The Deputy Chairman: Is the committee ready for the question?

Mr. Turner (Ottawa-Carleton): I have listened with great interest to the hon. member for York South. We are dealing with an important principle of law. But I want to

say first of all that all that clause 8 does is to raise an evidentiary presumption or a presumption of evidence and nothing else. Clause 8 does not create an offence. The offence is created under clause 4.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Clause 8 raises a presumption of guilt.

Mr. Turner (Ottawa-Carleton): There is nothing in clause 4 which creates an offence retroactively and there is nothing in clause 8 which creates a law which has a retroactive effect. In clause 8 we are dealing merely with a presumption of evidence.

Mr. Douglas (Nanaimo-Cowichan-The Islands): And of guilt.

Mr. Turner (Ottawa-Carleton): It is a presumption of fact.

I want to submit to the committee first of all that there is no retroactive provision in this bill. Clause 8 raises a presumption in relation to one offence only namely an offence under section 4(a) of the bill that of being a member of the unlawful association. So let us put this in the proper perspective. Section 8 does not create a law which has a retroactive effect and the evidentiary presumption relates only to one offence namely the offence under clause 4(a) of the bill dealing with a person who is or professes to be a member of the unlawful association.

I am speaking legally now and I am attempting to interpret the legal effect of this bill. A person cannot be properly charged or convicted of being a member of the unlawful association namely the FLQ prior to October 16, 1970. There is nothing in clause 8 or in clause 4 that says that. When we are talking about retroactive legislation or retrospective criminal legislation this is what it means in the true legal sense. If you had a retroactive piece of legislation a person could be convicted in November of 1970 on a charge specifically referring to conduct in October 1970 which was not unlawful at that time. Now no one can properly be charged or convicted either under the regulations passed pursuant to the proclamation of the War Measures Act or under this bill unless the charge specifically relates to conduct after October 16, 1970.

I have said that the effect of clause 8 is to raise a rebuttable presumption, and lawyers present in the committee will know what I mean. In other words, if the Crown, by adducing evidence of those things enumerated in clause 8, places an accused in the position of being liable to be convicted unless evidence is adduced on his behalf either by himself or through witnesses or through the cross examination of witnesses who testify on behalf of the Crown, which on a balance of probability indicates that on the date specified in the charge he was not a member of the unlawful association, then the benefit of the doubt goes to the accused.

I will go into this in more detail, but the presumption of fact, or what criminal lawyers call a provisional presumption, only sets an initial presumption against the accused which he can rebut or discharge if, on the balance of probability, the doubt is in his favour. The overriding burden of proof, namely the burden of proof on the Crown in every criminal case to prove guilt beyond any reasonable doubt, always exists.

Mr. Woolliams: Would the minister permit a question?

Mr. Turner (Ottawa-Carleton): I would like to go on with this complicated argument. It may be that if I do not finish it by five o'clock perhaps the committee will give me an extra five minutes or so because it is important that I make my arguments in sequence.

There is nothing new in the concept of placing an onus on the accused in criminal proceedings to adduce evidence on his own behalf once the prosecution has led some evidence pointing toward guilt. As a matter of fact, the hon. member for York South said he was not as concerned about this provision as he was about what he called the retroactive provision, which I deny is a retroactive provision.

By way of illustration I want to refer to section 8 of the Narcotic Control Act which provides that on a charge of being in possession of an illicit drug for the purpose of trafficking, the Crown need only prove beyond a reasonable doubt that the accused was in possession of the drug whereupon an onus is placed upon the accused to adduce evidence that he was not in possession for the purpose of trafficking. Similar provisions appear in the Food and Drugs Act, in the Customs Act when we are dealing with the unlawful possession of smuggled goods, and the Excise Act in the provisions relating to the unlawful possession of spirits.

With respect to these provisions it must be borne in mind that such a provision is necessary if the offence of being in possession for the purpose of trafficking is to be effectively enforced. There is nothing per se objectionable about such a provision. It simply means that when the Crown has proved illegal possession, this gives rise to a presumption which places a burden on the accused to adduce evidence concerning the motive for his being in possession. The Ontario court of appeal has held unanimously in the case of The Queen against Sharp (1961) 35 C.R. 375, that the onus shifting provision in the opium and narcotics drug act, a provision similar to the shifting of onus or shifting of the burden of proof or presumption of fact that we have here, did not violate the Bill of Rights by depriving a person of the right to a fair hearing or by depriving a person charged with an offence of the right to be presumed innocent until proved guilty.

• (4:50 p.m.)

This case in the Ontario Court of Appeal points out that the shifted onus can be discharged upon a balance of probability, and it also draws attention to the fact that the Supreme Court of the United States has held that similar statutory presumptions are not a denial of due process provided there is a rational connection in

common experience between the fact proved and the ultimate fact presumed.

There are many instances in the Criminal Code where an onus, similar to the one in clause 8 of this bill, is placed on an accused to adduce evidence. To mention only a few I want to make reference to section 162 of the Code, which involves trespassing at night:

> Every one who, without lawful excuse, the proof of which lies upon him, loiters near or prowls at night upon the property of another person near a dwelling house situated on that property is guilty of an offence punishable on summary conviction.

Then, there is section 221(2) and (3), which relates to failing to stop at the scene of an accident:

> Every one who, having the care, charge or control of a vehicle that is involved in an accident with a person, vehicle or cattle in charge of a person, with intent to escape civil or criminal liability fails to stop his vehicle, give his name and address, and where any person has been injured, offer assistance, is guilty of
>
> (a) an indictable offence and is liable to imprisonment for two years, or
>
> (b) an offence punishable on summary conviction.
>
> In proceeding under subsection (2), evidence that an accused failed to stop his vehicle, offer assistance where any person has been injured and give his name and address is prima facie evidence of an intent to escape civil and criminal liability.

There is the same shifting onus there.

With respect to the offence of kidnapping, section 233(1) of the Criminal Code reads:

> Every one who kidnaps a person with intent
>
> (a) to cause him to be confined or imprisoned against his will
>
> (b) to cause him to be unlawfully sent or transported out of Canada against his will, or
>
> (c) to hold him for ransom or to service against his will,
>
> is guilty of an indictable offence—
>
> (2) Every one who, without lawful authority, confines, imprisons or forcibly seizes another person is guilty of an indictable offence and is liable to imprisonment for five years.
>
> (3) In proceedings under this section the fact that the person in relation to whom the offence is alleged to have been committed did not resist is not a defence unless the accused proves that the failure to resist was not caused by threats, duress, force or exhibition of force.

In other words, the burden is on the accused to prove that the failure to resist was not caused by threats, duress, force or exhibition of force.

Referring also, Mr. Chairman, to section 253(1) of the Criminal Code:

> The proprietor of a newspaper shall be deemed to publish defamatory matter that is inserted and published therein, unless he proves that the defamatory matter was inserted in the newspaper without his knowledge and without negligence on his part.

Section 295(1) of the Criminal Code reads:

> Every one who without lawful excuse, the proof of which lies upon him, has in his possession any instrument for house-breaking, vault-breaking or safe-breaking is guilty of an indictable offence and is liable for fourteen years.

Mr. Knowles (Winnipeg North Centre): Before the minister leaves those, would he answer a question?

[Mr. Turner (Ottawa-Carleton).]

Mr. Turner (Ottawa-Carleton): May I finish the argument first? All those articles in the Criminal Code, and there are several others I could have adduced, indicate that there is nothing unusual for the onus of proof, in terms of a presumption of fact, to be inserted against the accused in a criminal matter, and that in several instances, indeed many instances in the Criminal Code, this presumption of fact, set forth in a statutory form, has to be rebutted by the accused if he is to escape guilt. He satisfies that onus of proof, or rebutts that presumption if, on the balance of probability, he creates doubt in the minds of a judge and jury. The Crown has to satisfy the burden of proof in every criminal offence. It has to establish that an accused is guilty beyond reasonable doubt. Clause 8 of the bill reads:

> In any prosecution for an offence under this Act, evidence that any person, either before or after the coming into force of this Act,
>
> (a) participated in or was present at a number of meetings—

Hon. members will notice that this is changed from the wording in the regulations. Now, active participation is necessary, and there has to be presence at a number of meetings instead of at a single meeting, as obtained under the regulations—and that was a weakness.

> (b) —spoke publicly in advocacy for the unlawful association, or
>
> (c) communicated statements on behalf of or as a representative or professed representative of the unlawful association, is, in the absence of evidence to the contrary, proof that he is a member of the unlawful association.

That is to say that he is today a member of the unlawful association or is, after October 16, a member of the unlawful association. This means that the accused, when confronted with evidence under (a), (b) or (c) is entitled to adduce evidence casting doubt on that evidence, thus casting doubt into the minds of judge and jury. If he is able to present any reasonable explanation for participation at a number of meetings, or for publicly speaking or advocating for the unlawful association, or for communicating statements on behalf of the unlawful association, that surely would be enough to create that balance of probability, to create that aura of doubt, which would mean the Crown would be unable to satisfy its primary burden of proof beyond any reasonable doubt, as in any criminal case.

I want to cite as authority for the proposition which I have just presented, the Ontario Court of Appeal in the case that I have just mentioned, and the Supreme Court of the United States, referred to in that case. I also want to refer to an Introduction to Criminal Law" by Cross and Jones, the sixth edition, at page 65 as follows:

> When the jury may find that the presumed fact exists on proof of some other fact, the presumption is one of fact.

That is what we have here.

> Presumptions of fact are sometimes called "provisional" presumptions and they play a very important part in the administration of the criminal law because they are frequently the only means by which the state of the accused's mind can be proved. The judge will tell the jury that they are entitled to infer guilty knowledge or criminal intent from the fact that the prohibited act was done by the accused, and, if the accused offers no explanation, the inference will usually be drawn. This is a

matter of common sense, because people generally are aware of the circumstances in which they act, and they generally do foresee that what does result from their conduct will result from it. If, on the other hand, a credible explanation is offered, the jury must consider the evidence as a whole, and if they entertain any reasonable doubt, the general rule that the prosecution has the burden of proof obliges the jury to give the accused the benefit of that doubt.

That benefit of the doubt, and that strict burden on the Crown to prove guilt beyond any reasonable doubt which has been followed in the courts of this country since before confederation, were perhaps best stated in an appeal from the Court of Criminal Appeal in England to the House of Lords in the following important sentences taken from the speech of Lord Sankey. I am referring to the case of Woolmington against The Director of Public Prosecutions, which can be found in the 1935 Appeal Cases, page 462. Here is what Lord Sankey said:

—if it is proved that the conscious act of the prisoner killed a man and nothing else appears in the case, there is evidence upon which the jury may, not must, find him guilty of murder.

It is difficult to conceive so bare and meagre a case, but that does not mean that the onus is not still on the prosecution... Throughout the web of the English Criminal Law one golden thread is always to be seen, that it is the duty of the prosecution to prove the prisoner's guilt... If, at the end of and on the whole of the case, there is a reasonable doubt, created by the evidence given by either the prosecution or the prisoner, as to whether the prisoner killed the deceased with a malicious intention, the prosecution has not made out the case and the prisoner is entitled to an acquittal.

No matter what the charge or where the trial, the principle that the prosecution must prove the guilt of the prisoner is part of the common law of England and no attempt to whittle it down can be entertained.

And that is the law of Canada at the same time.

Now, Mr. Chairman, I also want to refer to the well recognized doctrine of proof of similar acts in order to establish a course of conduct. The hon. member for New Westminster, when he was speaking on second reading, demonstrated conclusively that this has always been a principle of the law—

Mr. Lewis: Have you much more to go?

Mr. Turner (Ottawa-Carleton): Not much more. I can finish in perhaps three or four more minutes. He demonstrated that it is a quite accepted and traditional principle of British criminal law, applied by the Canadian courts, that similar acts related to the conduct of the accused prior to the offence can be relied on as proof for the offence, I repeat even if the conduct was prior to the offence.

• (5:00 p.m.)

Under that doctrine, evidence can be adduced against an accused to assist in establishing his guilt, even though the evidence—

The Deputy Chairman: I regret having to interrupt the hon. minister but the Chair has done its best not to see the clock. I wonder how long the minister might wish to continue because, according to the rules, the Committee has not the authority to extend the hours of sitting. If the minister is hoping to make his point and complete his remarks within a minute, perhaps the Chair could permit him to continue, but no longer than that, I think.

Some hon. Members: Agreed.

Mr. Turner (Ottawa-Carleton): I should like to thank the Chairman and the committee for their indulgence.

Under that doctrine of similar acts, evidence can be adduced against an accused to assist in establishing his guilt even though the evidence relates to conduct on the part of the accused prior to the date of the offence charged in respect of which the accused has not been convicted, or indeed even charged.

It must be borne in mind in the absence of a provision like clause 8 that, having regard to the clandestine nature of the FLQ, it would be impossible, apart from admissions on the part of the accused, to establish the commission of an offence created by clause 4(a). In other words, it is obvious that when you are dealing with a clandestine conspiracy, to attempt to rely on admission or actions or conduct subsequent to October 16 would render this legislation impractical.

The hon. member for York South said the FLQ was not unlawful prior to this bill and prior to the regulations. I contest that most vehemently. I point out to him that prior to October 16 the FLQ had a record of violence—

Mr. Lewis: On a point of order, Mr. Chairman. I am sure the minister would not want to misrepresent what I said. I carefully said that it was not an unlawful association in the sense which this bill makes it one. I went on to say that it was, of course, an association against the law as a criminal conspiracy, committing crimes. We are not disagreeing on that.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I accept the hon. member's restatement of what he said. He is perfectly accurate, and I do not contest it.

What I am submitting is that the FLQ, under sections 60 and 62 of the Criminal Code, satisfied the definition of a seditious conspiracy, which is:

—every one shall be presumed to have a seditious intention who

(a) teaches or advocates, or

(b) publishes or circulates any writing that advocates,

the use, without the authority of law, of force as a means of accomplishing a governmental change within Canada.

Then, "everyone who speaks seditious words," and so on "is guilty of an indictable offence" and so forth.

It is quite clear that the conduct which we are trying to reach here is conduct which we have rendered more precise by making it an offence to be a member of the FLQ so as to limit the extent of power of arrest, so as to limit the extent of detentions, so as to limit search and so as to limit the other suspensions of ordinary criminal law and relate it particularly to clause 4. That is why we make the FLQ an unlawful association, in order to

restrict the ambit of the law for a short term. Those people in the FLQ were undoubtedly, prior to this legislation or prior to the regulations, part of a seditious conspiracy.

To summarize in 30 seconds, Mr. Chairman, the law is not retroactive in its effect and creates no retroactive legal offence. Clause 4 creates the only legal offence, and that provision does not have a retroactive effect in that it is an offence to be a member of the FLQ only on or after October 16.

Clause 8 introduces the rebuttable presumption of fact. This is common to criminal law for generations. Without that rebuttable presumption of fact, the basis of clause 4 could not be met and the legislation in effect would prove to be impractical.

Mr. Woolliams: Mr. Chairman—

The Deputy Chairman: The Chair feels that it should not start allowing members to ask questions at this time and is bound by the rules. The only reason the minister was given extra time was that the question was a complicated one. So that the House may proceed to the consideration of private members' business, I now leave the Chair.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles); pensions—old age security; the hon. member for Battleford-Kindersley (Mr. Thomson); broadcasting—performance of North Battleford satellite television station.

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

PRIVATE MEMBERS' NOTICES OF MOTIONS

NATIONAL SECURITIES COMMISSION

SUGGESTED CONFERENCE WITH PROVINCE LEADING TO OPERATION OF COMMISSION

Hon. Marcel Lambert (Edmonton West) moved:

That, in the opinion of this House, the government of Canada should initiate at an early date a plenary conference with the governments of the provinces for the purposes of examining in detail all requirements leading to the effective operation of a national securities commission under the joint jurisdiction of both levels of government.

[Mr. Turner (Ottawa-Carleton).]

He said: Mr. Speaker, I hope that in the period of less than an hour which is left, we can examine this question and that the principle can be adopted by the House. I hope also that the government will then act on it.

Your Honour has read the motion in detail but there are certain points to which I should like to refer specifically. The first is that there should be a conference with the governments of the provinces, and the second point is that the respective governments should examine in detail all the requirements and conditions leading to the effective operation of a national securities commission which would naturally operate under the joint jurisdiction of the provinces and the federal government.

One might ask what sort of hybrid is being proposed here, but I submit it is not a monster at all. This is an agency which would regulate the sale, transfer and issuance of securities in Canada. Hon. members may ask why that is necessary, and is it not being done at present by various provincial securities commissions. It is, but to a very limited degree. I believe there should be a national securities commission. I underline my use of the word "national" as distinct from "federal". I recognize that the provinces have very clear rights and powers in this regard. This would be considered as a national body set up by both levels of government.

• (5:10 p.m.)

It would be overemphasizing the obvious if I were to record all the difficulties experienced in Canada over the years in connection with sales of stocks—the lack of control over company operations, the abuses which have arisen from insider trading, and so on. We hear of lawsuits to recover funds from directors who had special knowledge and used it to their own advantage to the detriment of fellow investors in a particular company or corporation; we also read reams of material coming from the United States complaining bitterly about the operation of certain types of promoters in the Canadian exchange field. Thousands of Americans are bilked out of millions of dollars annually as a result of the operations of fraudulent promoters.

My chief reason in putting forward the idea of a national securities commission is, then, the need for a uniform standard of protection for the investing public. We know that in connection with certain types of company it is more favourable to make use of certain stock exchanges where the regulation and supervision is not nearly as sophisticated or effective as it is, for example, in Toronto. In the second place, I think we could eliminate some of the ill effects resulting from split jurisdiction. In explanation of this, I would remind hon. members that it has been possible for certain operators—either because they work in provinces where there is a very small securities commission, a very limited amount of business, or because a company is a federal company, permitted to do certain things which provincial law does not require it to do—who are thereby able to avail themselves of a degree of artificial protection. I would try to eliminate this by setting up a national securities commission.

In the third place, I believe a national securities commission could work toward a greater degree of public disclosure of corporate affairs. I am not saying that disclosure on the part of private companies could be secured; since these companies would not have any stocks to go on the market they would not be obliged to make disclosures. Attempts by the federal government to move into this field have, in my opinion, been artificial and futile. As an example, I mention the requirement under Bill C-4 last year which amended the Canada Corporations Act in relation to requirements concerning the filing of returns in connection with insider trading, takeover bids and that sort of thing. The trouble is that the Minister of Consumer and Corporate Affairs (Mr. Basford) and the Registrar of Companies do not have the authority by law to compile or publish statistics. The information is merely placed on file and an individual seeking information about particular companies or the activities of their directors has to search the file.

This procedure would be eliminated under my proposal because the commission would have authority to collate and publish the information. Reporting, or requiring a report once a month, does nothing to protect the public, though it may help people who make a practice of examining individual corporate files maintained by the registrar of companies. The same applies in all the provinces. I say that if we are to maintain the same level of progress in relation to federally incorporated companies as is being achieved in Ontario under the Ontario corporations act, together with the activities of the Ontario securities commission, we ought seriously to consider the establishment of a national securities commission as I have suggested.

Over the past two or three years, I have often asked the minister to tell us what progress was being made in this direction. I know that contacts have been maintained between the federal authority and some of the provinces which have shown an interest in this question. The answers have been inconclusive and vague. The minister has been anything but frank in telling us what progress has been made. In effect, no progress has been achieved over the past 18 months, at least not until very recently.

I raised this question during the second reading of Bill C-4 in November, 1969, as reported on page 711 of *Hansard*, and again in the Finance Committee in the discussion on the provisions of that bill; I alluded to it again in the report stage of that bill, particularly in January of 1970, and on third reading of Bill C-4.

What type of organization do I envisage? I cannot give all the characteristics of it because I am not an expert in securities operation. This is why I should like a conference called among all the governments involved to discuss in detail the requirements necessary to the effective operation of a national securities commission. I indicated that I want a national body created jointly by the federal government and the provincial governments. I understand, and this is one of the problems involved, that the federal government may have insisted that any such national body be located in Ottawa. If this is the case, I think it is the poorest place in which such a commission could be located. For practical reasons it should be located next one of our principal stock exchanges, and there are only six cities in Canada where such exchanges are in operation, namely, Montreal, Vancouver, Calgary, Winnipeg and Toronto. I suggest that a national securities commission would be located most effectively in the city of Toronto because that is where the greatest volume of financial operations take place; it is the leading stock exchange in the country by a wide margin.

I hope hon. members will give us the benefit of their views with regard to this question. I have discussed it privately with a number of hon. members from time to time and I have received nothing but the greatest encouragement. There may be differences about the details of the proposal but I hope that from our discussion this afternoon will come a much clearer idea of what we want, and that the government can then take up the idea with some degree of guidance. We could then effectively arrive at a conference, not within the next six months but some time in 1971, with a view to having a national securities commission at the earliest possible date. I urge hon. members to accept my motion.

• (5:20 p.m.)

Mr. Jack Cullen (Sarnia-Lambton): I wish to compliment the hon. member on the motion before us for debate today, not only on the substance of the motion, but his perseverance in bringing forward this matter at every available opportunity. It is the kind of subject that the hon. member has probably found difficult to discuss on an election platform. It is not the kind of motion that will get him very many votes because of its complexity. It is almost impossible to bring forward on an election platform the kind of ideas he is suggesting here. Therefore, it is necessary that for the general good of the Canadian public, particularly the Canadian investing public and those investors from the United States, that some additional form of protection be afforded.

I indicated that the hon. member had persevered. As recently as February 25, 1970, as recorded at page 4065 of *Hansard*, the hon. member directed a question to the Minister of Consumer and Corporate Affairs (Mr. Basford). It reads:

> What stage has been reached in the discussions or negotiations with provincial authorities with a view to the establishment of a national securities commission or some similar body?

I like the hon. member's choice of nomenclature. He uses the word "nationally", thereby recognizing the definite involvement that the provinces must have in any securities commission regulatory body that is established. The minister's written answer to that question reads:

> The establishment of a national securities commission or similar body was last formally discussed with the provincial authorities at a meeting of the Federal-Provincial Committee of Officials on Financial Institutions and Securities Regulation which was held on October 25, 1968.

The minister adopted the nomenclature of the hon. member, namely, that it is to become a national body. I do not think there is any doubt about whether the federal government approves this kind of regulatory body.

The hon. member has indicated the kind of protection it would afford the Canadian public, protection the investing public do not have at the present time.

This proposal would have the distinct advantage of increasing the kind of investment we need in this country. We could then clearly and boldly say there is a measure of protection that is universal throughout the country. In that way, we could give an assurance that, unfortunately, is not possible at the present time. It would have the possible effect of enabling Canadians to marshall funds for equities through separated jurisdictions, which has a tendency to impede the flow of capital which we desperately need in this country. As I indicated, it is bound to help investment because of the additional protection it will afford the investor.

As recorded at page 4065 of *Hansard* of February 25, 1970, the hon. member had a series of five questions. The minister's reply to the second query was as follows:

> The last discussions with the provincial authorities on this subject took place at the meeting referred to above. The meeting identified some of the basic issues that had to be resolved before agreement could be reached. These issues were the subject of careful study since the meeting and it is proposed to discuss the matter further with the provincial authorities very shortly.

When this question was answered on February 25, the hon. member was quite right in asking the meaning of the word "shortly". In all probability, officials of the minister's department are, in fact, discussing the very thing he is suggesting should be done through this motion we are debating this afternoon. There is no doubt that it is desirable to introduce legislation regulating international and interprovincial issues of, and trading in, securities.

I might reiterate in different wording than that used by the hon. member. The main considerations which should lead to this decision are that federal legislation would close certain gaps which result from constitutional limits which exist in the securities legislation of this country as presently enacted by the provinces. When problems arise with regard to international trade in securities there is no agency that can speak for Canada. In these matters, Canada can find itself in a weak bargaining position vis-à-vis a foreign regulatory body because neither the federal government nor the provincial securities commission is in a position to give specific assurance concerning the adequacy of Canada's regulations taken as a whole. For a number of well recognized reasons, the trend of the various capital markets in Canada is to become one market.

The same forces at work in giving an increasingly international character to large financial business so that the common market in Canada has become closely linked with the other capital markets of the world. Such developments have imposed a responsibility on Parliament for regulating our common capital market in such a way to enable it to achieve maximum efficiency and to make its maximum contribution to the economic growth of Canada.

[Mr. Cullen.]

Investor confidence is clearly enhanced by effective security regulation. The United States economy is influenced to a large extent by investors' confidence. Until now, the burden of creating this confidence has fallen upon the provinces. There can be no doubt that the investment climate of the country as a whole has benefited greatly from the skilled and conscientious work performed by the securities commissions and staffs of various provinces.

For reasons already stated, nothing short of federal participation will create in Canada and abroad the desirable degree of confidence in Canadian securities. Of course, the hon. member has merely introduced a motion because, he says, he is not an expert in the kind of legislation that is required. I, certainly, am even less of an expert.

We have an obligation in this debate to give some idea of the kind and form a legislation that is required. The legislation should be broadly along the line of legislation already in effect in Ontario and the western provinces. However, careful attention will have to be paid to the views of the provincial authorities, members of the financial community and all other interested persons to ensure that the legislation will meet the requirements of the Canadian economy. The federal government must carefully consider the way in which the federal legislation should be administered and the nature, organization and powers of an agency to administer it.

The Ontario proposal for a joint Federal-Provincial Commission, to be known as Cansec, will be a very useful study. I think this is due to the involvement of Mr. H. E. Langford, the President of the Ontario Securities Commission. The imaginative approach of this proposal to harness the experience of all municipalities in Canada will minimize the number of files required and simplify the whole process of securities regulation. There are two major attractions to this particular proposal. The proposal contains some elements fundamental to the whole scheme which the federal government, and apparently some provincial governments, might find difficult to accept. The individual ministers would have the responsibility of administering the statutes passed by their own legislatures.

• (5:30 p.m.)

The federal government is firmly of the view that a federal minister must, within the constitutional powers assigned to the Parliament of Canada, be answerable to Parliament for the interprovincial and international regulation of securities. Similarly, the multiple functions of the commissioners, sometimes acting as members of the federal securities commission and sometimes acting as members of a provincial commission, would obscure and diffuse the responsibility of individual commissioners.

I do not cite these difficulties to give the kiss of death to the motion. The hon. member himself has already admitted that the motion is not, in effect, legislation but

simply embraces a topic that should go to the appropriate committee and appropriate minister for discussion and decision. However, clearly from his answers to the hon. member which I cited earlier, the minister is concerned about the matter and sees merit in the hon. member's recommendation.

I do not know whether it adds much to the steps the government is taking at the present time, but if there is one thing to be remembered in all this question it is, first and foremost, that we as members have an obligation to encourage investment in Canada. One of the best ways we can do this is to set up the kind of governing or regulatory commission to give to investors the protection they have the right to expect.

Mr. Max Saltsman (Waterloo): Mr. Speaker, I first of all congratulate the hon. member for Edmonton West (Mr. Lambert) for introducing this motion to the House. I hope hon. members permit it to go to committee rather than talk it out. It is an important matter that needs to be dealt with, and I think a committee study would be an appropriate way of dealing with it.

I make this suggestion not because I agree with the proposals of the hon. member for Edmonton West; at the moment I have too many questions about the effectiveness of his approach. My questions do not arise from the calling of a conference of federal-provincial representatives to discuss the question of securities; indeed, I believe this is a step that would have to be taken. My questions arise, rather, from the feeling I have as to whether a securities commission would be a more appropriate way of handling what has been a long standing problem of confidence in securities in Canada, as opposed to dealing with the matter under a corporations act. Perhaps a conference should be convened for the purpose of discussing the application of a corporations act to all parts of Canada, rather than the creation of a securities commission.

I am wondering whether the argument for a commission as opposed to a corporations act is an indication of some distrust of direct government supervision, and a greater inclination toward wanting to see the stock markets play a greater role, as would be the case with a securities commission. My own feeling is that in a matter of this importance I would far rather the responsibility remained at the government level or perhaps enlarged, since the people of this country do have a chance to express their point of view at that level. A commission would be one further step removed from direct representation of the people.

Having said that, I find a number of the arguments of the hon. member for Edmonton West difficult to understand. As I recall it, when we debated the Corporations Act both in the House and in committee the hon. member took a strong stand against disclosure, particularly against the publication of statistics of corporations. One of the arguments that he used this evening was that a securities commission would require the compilation and publication of the very matters he argued against being disclosed when we debated the Corporations Act. I hope that on some suitable occasion the hon. member will enlighten me as to why he takes this view today. Perhaps he would let me know why he did not want to see any disclosure provided for in the Corporations Act yet is quite prepared to have disclosure and publication if his proposal today is accepted.

Mr. Lambert (Edmonton West): I was talking of public companies.

Mr. Saltsman: It does not matter to me whether they be public or private companies. An important principle is involved here, which is that knowledge be supplied to the investors of this country. Confidence must be established in the integrity of issues that come onto the market in this country. There is no better way of achieving this than to have total and absolute disclosure by all companies in Canada.

I do not know whether the hon. member would raise the question that securities commissions, on the whole, tend to look at new issues rather than those of existing companies—though they do both, of course—and therefore there is a greater, perhaps overriding need for only new companies who are seeking support to be investigated rather than the long-established companies. I hope that is not his argument because there is considerable evidence that some long-established companies have had problems in this regard.

In the United States there are at the moment some of the most prestigious companies associated with the stock market either on the verge of or already in bankruptcy, and there is considerable investor disillusionment with some of the major institutions. I find it difficult to make a distinction between scrutiny and publication on the basis of whether a company has recently entered the money market or has been long established. I therefore do not see justification for creating a commission rather than making provision in a corporations act.

I also had difficulty with the hon. member's suggestion that provincial governments be involved in a matter of this kind. I think it would pose considerable problems for us. Constitutionally, I think the argument is quite sound that in matters of securities the provinces must be consulted. They have to be involved, and perhaps we will not be able to do anything unless this is so. At the practical level, experience has shown that the federal government has, on the whole, been more willing to work for things like disclosure, intelligent reporting and publication than have the provinces. The provinces find themselves taking different views. Some provinces are quite satisfied with things as they are; others are not so satisfied.

There is always a tendency for provinces that need development in the worst possible way to start a "beggar be thy neighbour" program—a program of outbiding everybody else, whether in the area of granting special concessions or not, or being lax about what they insist their investors should disclose, and things of that kind. In this kind of encounter, what happens is that those who want to take a stronger and firmer position are often

reduced to a compromise which takes into account the lowest common denominator in order to reach agreement. This is always a factor when one is trying to seek agreement. However, it should be recognized as one of the practical defects of reaching agreement on something as important as disclosure and investor confidence.

I am of the view—I think there are others in the House of a similar view—that it may be more realistic and perhaps more practical for the federal government to take the lead. I know each time this is suggested others say that the provinces may not go along with the government, and this is true. What is more, they do not have to go along with the government. But when the federal government has taken the lead and has put forward legislation, at least respecting federally incorporated companies, ultimately the provinces have gone along with it and have adapted themselves to the circumstances.

• (5:40 p.m.)

I think we can point to later legislation in this regard; for instance, minimum wages. We can also point to the Corporations Act, although in that case one province led the way rather than the federal government. I say these things in order to point out the importance of the federal government on its own asserting a point of view and asking the provinces to go along with it. It has the right to do this. The federal government does not have the power to compel the provinces to follow suit. I think the ability and the willingness to set an example would be emulated by others.

As willing as I am and as desirable as I think it might be to have this motion go to committee for examination, I think the effect of the motion would be to make the enforcement of safety regulations more difficult for the reasons I have enumerated. There is a necessity to get provincial co-operation because of a movement away from firm legislation, and a commission approach would not be as determined as it should be. I would be much more in favour of a motion calling for a federal-provincial conference on the Corporations Act and having in it suggestions incorporating full disclosure and full publication within the ambit of the Corporations Act, rather than having a commission type of organization.

Mr. Maurice Foster (Algoma): Mr. Speaker, I commend the hon. member for Edmonton West (Mr. Lambert) for the motion he has placed before the House this afternoon. I sympathize with him in trying to draft a motion such as this one, because it involves a matter primarily within the responsibility of the provinces yet it is one of national concern and involves a national need. If the action he proposes could be taken, it would be to the national good. The possibility of achieving this action does not lie in a private member's public bill but with a national conference through which, by publicity, pressure could be brought to bear on provincial governments which have the responsibility but are reluctant to give it up to the federal government. In this connection I understand there was a federal-provincial conference held in 1968, as the hon. member for Sarnia-Lambton (Mr. Cullen) has mentioned, at which there was considerable agreement between the federal government and the province of Ontario although little agreement among the other provinces concerned.

The hon. member's motion suggests that there be established a national securities commission controlled by the two levels of government, federal and provincial. In order to iron out the details as to how it might work, the hon. member suggests there should be held a national plenary conference. Few people would argue about the necessity for a national securities commission. Certainly there is need for a uniform standard of protection for investors throughout the country.

The provinces down through history have been reluctant to give up any of their fields of responsibility including property, civil rights and, in this case, provincial securities. Back in the late 1930's the provinces did agree to a constitutional amendment which made it possible to set up the Unemployment Insurance Commission. They gave up some of their rights there. They have at various times of national emergency given up their rights in the field of taxation, or at least agreed to turn them over to the federal government. However, they are very reluctant to do this. I think the strategy of the hon. member for Edmonton West in calling for a national plenary conference would establish a good forum in which to bring national publicity to the question and bring public opinion to bear, thereby putting pressure on provincial governments to give up some of their powers in this field so that something to the national good might be achieved in every part of the country.

How might we establish a national securities commission? It seems obvious that this is desirable. It could be composed of commissioners appointed by Governor in Council who would be responsible through the Minister of Consumer and Corporate Affairs to Parliament. Contrary to what the hon. member for Edmonton West has suggested, I would envisage the headquarters of this commission to be in Ottawa. He has suggested it should perhaps be in Toronto, which has the largest stock exchange. If this were done it would delay any agreement by other, small commissions throughout the country and provincial governments. They do not want to see control going to one of the other provincial capitals. I suggest the headquarters should be in Ottawa with strong regional offices, if necessary, to which the commissioners could travel from time to time as their duties required. The commission would be responsible under the federal securities act, and its powers would include the power to make regulations, carry out investigations and hear appeals.

The commission would be responsible for all international and provincial issues of and trading in any securities. Qualification of issues would be through the regional offices. A simple qualification procedure could be introduced for smaller issues. I think this would be an improvement, because some of the provincial commissions and governments were reluctant in 1968 to agree to the establishment of a national securities commission; they thought it might dampen down their ability, espe-

cially a province like British Columbia, to raise large issues of securities. The commission could also be responsible for other functions within the competence of Parliament, for example, the registering of investment dealers and brokers engaged in international or interprovincial issues of or trading in securities.

Having regard to the important matter of co-operation between federal and provincial authorities, there appear to be at least three possibilities. A province might wish to retain the administration of its own legislation. However, once federal legislation was passed it would necessarily prevail in regard to interprovincial and international offerings and tradings. I believe the hon. member for Sarnia-Lambton suggested it was the view of the Ontario government that it should retain its own administration. On the other hand, the province might wish to delegate the entire field of securities administration to the federal securities commission, in which case the commission would, after certain conditions had been worked out, administer that province's securities legislation in addition to dealing with the federal securities act.

It might be possible to take a middle course by which the staff of the provincial commission and the federal securities commission would be merged. The federal securities commission and the provincial commission would remain distinct and separate bodies and the staffs of the two official bodies would have a dual function, one to administer the federal securities act in the province and the other to administer the provincial act. In exercising either of these two functions they would be responsible to the appropriate commission.

• (5:50 p.m.)

Two of the main advantages of the CANSEC proposal would then be realized. The knowledge and experience of existing staffs would be used in a co-operative fashion for a common securities administration along the lines of either of the two courses which I have outlined, and would call for consultation with provincial governments by the federal government on the choice of the federal commission's chief administrative officer, such other officers as were appropriate, and on other matters of common concern. Where the pooling of staff was agreed upon, the chief administrative officer under a provincial commission might also be appointed the head of the federal commission's regional office if this were mutually agreed.

Over the course of time the federal securities commission would become a central source of information on all securities matters, which would be available to all provincial securities commissions. Studies of developments in the securities industry could be undertaken either jointly or by the federal securities commission and the results of these studies would also be made available to the provincial securities commissions. The federal government should develop these ideas in fuller detail in consultation with the provinces. The paramount objective of the federal government should be to achieve, by the simplest and most economical means available under our Constitution, a system of securities' regulation best suited to Canada's needs. In pursuing this objective the federal government should be anxious to explore with the provinces the most constructive forms of co-operation.

In summary, it would seem to me that this is a good idea. It would be of great convenience to trust companies and others in raising securities issues, because it would not be necessary to travel to several securities commissions throughout the country to have their issues approved. It would lead to better liaison between provincial securities commissions. There have been several celebrated cases in recent years where trust companies have gone broke. Hundreds and sometimes thousands of little people have lost savings which they have entrusted to these companies. In this connection a uniform standard of protection should be available across the country.

The federal government certainly has a responsibility to push in this direction. I think the provincial securities commissions should maintain the authority to issue small issues within its province. This might make them more agreeable to the establishment of a federal or national securities commission. It seems to me the idea of a conference is a good one, because it would bring public pressure to bear on the provincial governments to co-operate in respect of the establishment of a national securities commission which in the end would generate more confidence in the investment climate in Canada.

Mr. Philip G. Givens (York West): Mr. Speaker, during the course of this discussion we have heard about the importance of raising capital for the development of this great country which is endowed with tremendous resources. I think we are *ad idem* in complimenting the hon. member for Edmonton West (Mr. Lambert) for bringing this suggestion before us because it is a very vital matter and we feel there should be one agency instead of some 10 agencies across the country for the purpose of raising efficiently, cheaply and honestly the kind of capital we require.

In the final analysis, when something goes wrong this government takes the responsibility because, indeed, the image of our country is at stake. When something goes wrong like the Commonwealth fiasco, I.O.S. or the British mortgage disaster, our government is blamed: people rear up and ask why the federal government does not do something about it. I ask: Why, indeed, do we not? We do not because in every case we come into conflict with the Constitution; therefore, property and civil rights are involved and the provinces rear up their heads and say they will not allow any diminution of their jurisdiction in this field. I think the time has come when we must say to the 10 emperors of the provincial empires that this country is one nation and not 10 nations. What we require is a central clearing-house with central authority in this field of activity, otherwise we will never be able to raise the kind of financial resources that we require.

I should like to make one particular point which has been made by others during the course of this debate. I appeal to the people in the business community and in the securities field, who address meetings of service organizations and boards of trade and who are always

calling in a very rhetorical way upon the federal government to do what has to be done to establish a national securities commission for the purposes indicated this afternoon, to in turn go to the authorities in their provinces and tell them they should co-operate with the federal government for this purpose. They should speak to the provincial authorities and tell them they should contact the federal authorities on this matter.

I think the time has come when we should cut out some of the wind and hypocrisy in respect of this matter, because it is the seats of authority in the various provinces which have been standing against us. They have been saying they cannot diminish their jurisdiction because if this particular problem were handled by the federal authority in Ottawa it would be against their best interests. I think this is false. I think they should cut out this kind of army game which they have been practising over the years.

The Acting Speaker (Mr. Laniel): Order. I regret to interrupt the hon. member, but the hour for private members' business having expired, the House will now revert to the business that was interrupted at five o'clock. The House will now forthwith go into Committee of the Whole.

GOVERNMENT ORDERS

PUBLIC ORDER (TEMPORARY MEASURES) ACT, 1970

PROVISION OF EMERGENCY POWERS FOR PRESERVATION OF PUBLIC ORDER

The House resumed consideration in committee of Bill C-181, to provide temporary emergency powers for the preservation of public order in Canada—Mr. Turner (Ottawa-Carleton)—Mr. Laniel in the chair.

The Deputy Chairman: It being six o'clock, I do now leave the chair. The committee will meet at eight o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Order, please. When the committee rose at five o'clock clause 8 of Bill C-181, and an amendment thereto by the hon. member for York South, were under consideration.

On clause 8—*Evidence.*

Mr. Woolliams: It may please the committee to hear that I will not make a speech. However, I would like to ask the Minister of Justice a couple of questions. I certainly agreed with what he said this afternoon except for his use of the phrase "any reasonable doubt". I think what he meant was "beyond reasonable doubt". These are two different things. I see he agrees with me on that.

Second, I would like to put to him the following question in practical terms. Ideals and theory are one thing, but the practice of law in a courtroom is another. If a person was charged with being a member of the FLQ, an illegal association, it was obvious he had attended about ten meetings prior to October 16, and evidence was brought forward under clauses 4 and 8 of the bill—the minister spoke about rebutting the presumption—unless the accused went on the stand and there was a defence as a result of cross-examination, would that person, because of his connection with the association prior to October 16, be convicted as a matter of fact or as a matter of practice?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, when we get into these hypothetical situations I have to be very careful that I do not try to put myself in the position of the court. I have learned that in some cases there is a difference between the advice I receive and what courts finally say by way of determination. The hon. member appreciates that. The hon. member for Fundy-Royal will know that on occasion I have been able to predict the final result of a case.

Mr. Fairweather: That was on your own.

Mr. Turner (Ottawa-Carleton): However, it seemed to be pretty accurate. At any rate, the situation is that if evidence were to be adduced to the effect that the accused was present at a number of meetings, short of any evidence to rebut it introduced by witnesses called by the accused or in the event that he chose to take the stand on his own behalf, or by way of cross-examination of the Crown's witnesses who tended to establish that evidence, of course the presumption of fact might carry. I emphasize that it might carry. It is a presumption of fact. So there would have to be either evidence contradicting the evidence of the Crown, or successful cross-examination so as to cast doubt on the evidence of the Crown in order to throw the offence charged into doubt under a balance of probabilities—not beyond reasonable doubt, in terms of this presumption, but only in terms of a balance of probabilities. So that the Crown would then be unable to discharge its primary burden of proof, which obtains in every criminal case despite any presumptions there may be in the legislation arising out of the statutes. Then the Crown would be unable to establish beyond any reasonable doubt the guilt of the accused.

Mr. Woolliams: Mr. Chairman, I would like to put to the minister another question. Again the Minister of Justice slipped into the mistake I mentioned. He said "beyond any reasonable doubt". He meant beyond reasonable doubt.

Mr. Turner (Ottawa-Carleton): Yes, I meant beyond reasonable doubt.

Mr. Woolliams: There is a big difference. I would like to have a case that was beyond any reasonable doubt. I

would like to put this question to the minister. Let us consider myself in a hypothetical situation. I will put myself right into the minister's hands. Let us say that when I was a young man I attended many meetings addressed by Tim Buck because I wanted to hear him; I felt that it was quite in order for me to attend these meeting, and I wanted to see what went on in a Communist meeting. I may have attended three, four or five meetings altogether. Assume for a few moments that we are dealing with an illegal association.

Let me ask the Minister of Justice the following question. According to clause 8—I realize it is a clause on evidence but it is a very dangerous clause and substantive law, really—unless I personally went on the stand and said I only went to the meetings because I was interested in being there to see what Tim Buck had to say and perhaps to confront him and his ideas, without any other evidence on my part—and that puts the accused on the stand, which is completely contrary to what is practised under our criminal law as we understand British justice—would the minister, as a lawyer and as Minister of Justice, not agree that without any evidence to the contrary I would more than likely be convicted?

Mr. Turner (Ottawa-Carleton): No, I would not agree with that. If the accused chooses to take the stand and says, as the hon. member has said, that it was a frolic of his youth and curiosity which led him to see how this movement worked, but that having satisfied that curiosity he did not participate in an effective way in the meetings and did not share the objectives of that illegal association, that type of evidence would be admissible to cast the amount of doubt that is necessary effectively to rebut the presumption.

Mr. Woolliams: I have one last question for the minister. Does this section not really put the onus on the accused, which is the opposite to what is generally done in practice, so that a person, in order to defend himself, would be forced to take the stand? In any case I have ever defended it has been up to the Crown to prove the guilt under the Criminal Code. Let us face it: all the great counsel, whether they are here or anywhere else, have this assistance which is built into our jurisprudence, and would never put the accused on the stand. Normally that is the practice that we learn in law school. If one does not learn it there, one learns it in practice. This provision would force the accused to take the stand and be subject to cross-examination, almost making him a witness of the Crown.

Mr. Turner (Ottawa-Carleton): No, I do not agree with that, Mr. Chairman. The evidence that would be introduced to rebut this presumption or to cast sufficient doubt upon it may be, of course, evidence introduced out of the mouth of the accused if he chose to take the stand, by way of cross-examination of Crown witnesses or by way of witnesses introduced by the accused.

• (8:10 p.m.)

As I have said, this shifting onus, which is a statutory onus on the accused to rebut a particular presumption, is found in other sections of the Criminal Code. It is open to the accused to decide, if he is able, whether he wants to rebut that onus. But that shifting onus is an onus on the balance of probability relating to the facts set forth in the evidence. It does not shift in any way the primary onus of the burden of proof on the Crown to prove the guilt of the accused beyond reasonable doubt. That onus remains from the first to the end of the case.

This aspect merely relates to the proof of facts within the scope of the case. But there always remains on the Crown, as I cited in my reference to Mr. Cross's book on the introduction of evidence, the onus to establish beyond reasonable doubt the guilt of the accused, and that in no way is affected by the presumptions of facts set forth in this clause.

Mr. Murphy: Mr. Chairman, I have two questions for the minister. First of all, I am concerned with the last three lines of the clause where we see the words, "in the absence of evidence to the contrary." I am afraid that may refer back to the word "evidence" in the second line of the clause, which is "evidence that any person may have (a) participated in or was present, (b) spoke publicly," etc., and "(c) communicated," etc. Let us assume that a man—as put forward by the hon. member for Calgary North—a number of years ago attended a number of meetings. Provided the evidence which is referred to in (a), (b) and (c)—or (a), (b) or (c)—is adduced at his trial, the latter part of the clause would require the accused to adduce evidence to the contrary.

With regard to the evidence which he must adduce, would it be evidence to prove that he was not at a meeting, did not participate, or did not communicate? Would that be the type of evidence expected? Or would it be sufficient if he were able to satisfy the court that since then he has dissociated himself altogether from this group although he may have been guilty, as it were, of carrying out the activities which are proscribed here and which would have raised the presumption against him? I would like clarification on the "evidence" referred to in he last three lines. Is it evidence of his present dissociation from the organization, or must it be evidence to disprove the fact that he had attended meetings and participated earlier?

The second part of my question is: Is there any significance to the fact that neither the word "and" nor the word "or" appear at the end of clause 8(a)? With regard to a person who was simply present at a number of meetings of the illegal organization in the past, but did not participate actively, speak publicly in advocacy of the unlawful association or communicate statements, etc.—in other words, there was his mere presence at meetings—would that become grounds for a prima facie case, as it were, in the absence of evidence to the contrary, or should the word "and" not be added to the end of paragraph (a)?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, in answer to the first question it is my view that the evidence that could be adduced to the contrary would either be evidence tending to discredit the evidence introduced by the Crown to establish a presumption under either (a),

(b) or (c), or evidence which was introduced independently of the Crown to establish a new set of facts which would tend to rebut it; in other words, either evidence to attack the evidence which the Crown established or evidence to show that subsequent conduct had given the lie to the earlier evidence. Either type of evidence would be admissible to rebut the presumption.

In answer to the second question, on the basis of the drafting advice I have been given, the fact that there is an "or" between paragraph (b) and paragraph (c) implies the existence of an "or" between paragraphs (a) and (b) and they should be read disjunctively.

Mr. Lewis: Mr. Chairman, I do not know whether there is any value in arguing with the position the minister has taken, in view of his attitude toward the amendments, but I want to take just two or three minutes to say that I am not in the slightest convinced by the minister's argument that this is not retroactive legislation.

I am not going to take much time in dealing with the question of reverse onus represented by the last lines of clause 8. As I said this afternoon, we were not seeking to amend that. But much of what the minister said referred to the fact that the onus is placed on the accused to prove something that would discredit the earlier evidence against him. I am concerned merely with the question of retroactivity, and I say with the greatest respect to the minister that in his argument he was indulging in semantic legalisms.

Clause 8 is not the clause that provides the offence. It is true that the offence is provided in clause 4, and instead of having clause 8 here the minister could easily have added clause 8 as part of clause 4. That, surely, is irrelevant. What is relevant is that clause 8 sets out the facts under which a person is proven to be a member of the unlawful association, and being a member of the unlawful association is an offence against this law. Therefore, when you have proved that the person is a member of the unlawful association by reference to acts which occurred before the association was unlawful, you are making the substantive offence retroactive, and no number of words and no way of arguing will change that situation.

If I can be held to be a member of the FLQ today by virtue of the fact that I attended some meetings five years ago, then the law substantively is retroactive or retrospective. Certainly the retroactivity is in relation to the evidence on which I may be convicted, but this division between fact and law in this kind of situation seems to me to be entirely barren. When the minister referred to the fact that in an ordinary criminal case you can go back to acts, or action or behaviour of the accused prior to the date on which he is alleged to have committed the offence, you are dealing with something that has always been an offence. It has always been a crime to conspire to commit murder or to commit kidnapping. If I am alleged to have committed that crime on a certain date, and there is evidence prior to that date of my behaviour related to the crime with which I am charged, then of course it is admissible—not as evidence of the charge as set out in the particulars but as evidence of my behaviour supporting that charge.

But this is a new offence. Membership in this organization was not unlawful before October 16. Attending a meeting of this organization was not proof of an unlawful act before October 16, nor was communicating on behalf of this unlawful organization an act which proved membership in an unlawful organization. It is this referral back to what I may have done a long time ago that is offensive.

• (8:20 p.m.)

Time and again in a number of clauses of this bill the minister has referred to the fact—and obviously it is a fact—that it is difficult to prove membership in the organization and that the FLQ is a clandestine organization. Presumably it has no membership card and no membership list, so the Crown would find it difficult to prove that anyone was a member. To extent this logic if it is difficult to prove membership of an organization it is almost equally difficult to disprove it, and in certain circumstances perhaps more difficult.

If there is no membership list and no membership card, it is not necessary to resign membership from the organization. If I am a member because I attend clandestine meetings of a cell or a group, how do I prove that I am no longer a member? I do not send in an official resignation and I do nothing to take me out of the organization of which I was a member. I have committed an offence merely because I attended a meeting some years ago of an organization that has now become unlawful. I have met many young Canadians in Quebec, mainly of French expression, who attended these meetings some time ago.

Mr. Knowles (Winnipeg North Centre): Trudeau types.

Mr. Lewis: People who were, if you like, fooled by the social and economic objectives which the FLQ has always pretended were theirs and which existed before the bombings started. In my political life I have known people who have attended meetings of Communists, Trotskyists and Maoists without at all accepting the basic theory of force or violence practised or preached by those organizations. They attended the meetings either as part of their education or because they were attracted by Communist, Trotskyist or Maoist pretensions—because they were fighting the battle of the unemployed, the poor, the dispossessed.

The same is true of any organization. The FLQ is here outlawed, not merely because it is a criminal conspiracy or a seditious conspiracy but also because of its political aims of separating Quebec from Canada by certain means. There are a good many young people who may have attended meetings of groups of the FLQ because they were interested or even because they accepted the political aims, without any knowledge or understanding of the criminal and terroristic acts which some members of the FLQ intended to commit.

A young person may have attended a few such meetings six months ago, or four or five years ago, and be

charged under this law. The prosecution could then adduce evidence that he had attended those meetings. He may have spoken at them or advocated the purely social goals which the FLQ pretends to have. He may even have communicated FLQ manifestos to other people—manifestos which did not refer to terror, kidnapping or murder but merely dealt with the social and economic objectives of separating Quebec from Canada, of helping the unemployed, the poor and the dispossessed in the province of Quebec, or of fighting the authorities in Ottawa. I use the word "fighting" deliberately because that is the word that might appear in such a manifesto.

A person in these circumstances who had attended the meetings or communicated the manifestos may find himself in court with witnesses for the Crown giving evidence of these facts. The prima facie, presumption as a result of these facts dating back six months or five years is that the person is a member of the FLQ and has the burden of disproving the allegation. I do not know how he can accomplish this. The point we wish to make is not merely the difficulty of the accused to disprove the awful and unjust situation in which he finds himself, but the wrongness of the principle of putting him in that position by making the law effectively retroactive even though the crime itself is not retroactive.

He is put in this position if the crime depends on acts which were entirely lawful at the time, and when the organization to which they were related was not unlawful except as a criminal or seditious conspiracy and, therefore, unlawful in the sense of the Criminal Code but not in the sense in which this bill makes it unlawful. This is the principle with which I am concerned. I have given the matter a great deal of thought since the bill was first introduced, as have all my colleagues. No amount of playing with words, differences between the evidentiary presumption or some other kind of presumption hides the fact that a person is presumed to be guilty because he is presumed to be a member of the organization. He then has to find some way of proving his innocence, and not the usual way where there is a shift of onus in the Criminal Code, because of acts committed when they were entirely lawful.

It is the retrospective aspect of this bill that we find entirely unacceptable, contrary to the basic principle of our criminal law, indeed of most of our law, and contrary to any concept of civil liberties and civil rights.

[*Translation*]

Mr. De Bané: Mr. Chairman, to my mind, clause 8, as it now stands, creates a simple presumption which, unless it was contradicted, would be enough to overrule a presumption of innocence. This, in itself, is not exceptional, because, as the Minister of Justice (Mr. Turner) pointed out this afternoon, the Criminal Code already contains quite a number of similar presumptions. Those presumptions hinge on past facts.

Nor is this remarkable in itself. The evidence of facts that preceded the crime is often accepted by the courts. With regard to clause 8, the danger lies in the retroactivity it may establish because of the vagueness of the expression "member of the unlawful association".

In effect, the act forbids membership in the association; clause 8 states how one can be proved a member but the act does not explain what it is to be a member. Obviously, according to the dictionary, "being a member" is the state of one who is part of an association; but as the "unlawful association" in question has no charter, no records, no membership cards, it is therefore very difficult to state specifically who can be a member of the said association. Therefore, it is normal to confuse the means of evidence outlined in clause 8 of the legislation, with the offence itself.

Thus, instead of merely being used as presumption, the facts enumerated in clause 8 will become the very basis of the offence. These presumptions concern past events which could have occurred even before membership in the FLQ was declared unlawful by law, as of October 16, at four o'clock in the morning. In that sense, the offence could be considered as having a retroactive effect.

I think the main issue is that the legislation seems to dismiss the possibility of a defence, in fact not in law, once the presumption is established. The phrase "un certain nombre de réunions" is much more indefinite than a certain number of meetings". In fact, the number "un" is a certain number, according to the Robert dictionary.

In my opinion, an exceptional legislation should be couched in the clearest possible terms. This is an example where the French and English terms do not have the same meaning. It is obvious that "a certain number" means "more than one" and that the French word "un" means "a certain number."

Now what happens to the persons who spoke on behalf of the unlawful association before October 16, at 4 a.m. and which were jailed under the regulations or the Criminal Code, after having been found guilty of criminal offences? The possibility that those individuals could be deprived of any legal means of defence makes us fear that the effect of that legislation could be retroactive.

If the proposed effect is really sought through the action of presumptions listed in the Criminal Code, we should add a clause describing what is meant by membership, which is not defined in the bill. I therefore move the following:

> Is a member of the unlawful association any person whose participation in this association meets the requirements of the act for taking part in a seditious conspiration.

With this amendment, of course, the crime of being a member of an unlawfull association would be defined.

Also I do believe that failure to ascribe definitions to criminal acts is tantamount to enacting the wrong kind of law, a law which is foreign to the principle of legality.

Mr. Chairman, there is another point which troubles me: once this legislation is passed, the commission of such acts as are listed under clause 8 would involve a presumption of membership in the association. Now it should be remembered that under clause 14, the fact that a person has on or after October 16 committed any of the

said acts, that is speaking publicly in favour of the association or communicating statements, amounts to an offence.

Then, in my opinion, telling a person that the fact that he has publicly spoken in favour of the association implies a dual offence, contravenes two widely admitted principles of criminal law:

Nemo bis vexari debet pro una et eadem causa, and Nemo debet bis punari pro uno delicto

I do not see how, especially after adoption of this act, the person who commits one of the offences can be accused at the same time of committing the other.

With regard to the retroactive effect of the act, it is not definite. Personally, I know several students who were previously members of the FLQ which had branches in several colleges around the years 1963-64, and who left this association when they found out that it was far from being patriotic. These persons, under this act, will be liable to arrest. The attorney general will be able to file a certificate with the clerk to this effect, under clause 7, and they will await their trial. Obviously, it can be said that acts of treason and of sedition are forbidden under the Criminal Code. However, this association became illegal only on October 16 at four o'clock in the morning. And people were arrested as soon as the regulations were enacted.

I understand why those persons cannot have violated the regulations: they were arrested in their sleep. Of course, today, we must have other remedies. As a solution, some suggest that we go back. While agreeing with the Minister of Justice that it is not exceptional in itself to establish presumptions for past actions, I feel that, taking into account the various factors I just mentioned, it is a bad technique. It is unthinkable that several provisions of the legislation should indicate how to determine membership in any association, that membership constitutes an offence and that it does not say what it is all about.

I think the minister is right once again in saying that we may go back. The theory of similar facts and other similar presumptions exists in the bill, but the way the clause is drafted, besides the error I pointed out to the effect that "un certain nombre" in French has not the same meaning as "a number of meetings", it seems to me that the act should be clearer.

I think this clause might be improved by being amended. I am aware of the impossibility refered to by the minister but I think it might have been possible—by including, for instance, the definition which I just suggested—to solve a good deal of the problems. I believe that any person who committed an unlawful act before October 16 is "indictable" under the Criminal Code. If we do not want to prosecute this person for the new offences which are obviously created here, I do not see why this legislation has, in some regards, a retroactive effect.

• (8:30 p.m.)

[*English*]

Mr. Woolliams: Mr. Chairman, at one point I thought I would support the government when we came to consider clause 8. When I spoke about our amendment I dealt with this particular clause. As it reads now, I agree with the minister that a question of evidence is involved. But it is a question of evidence which makes substantive law because it places the accused in a position where he is obliged to take the stand and defend himself. The minister can shake his head, but this is what will happen.

The Minister of Justice well knows that an accused has to be proven guilty beyond a reasonable doubt and the onus is on the Crown to so prove. But here the onus is placed squarely on the accused. In effect, this clause has made the law retroactive. The minister should refer to the case of *Clarke v. The King* and the other cases on this point; the citation is 25 Canadian Criminal Cases. The fact remains that in practice the implementation of clause 8 will force the accused to take the stand, which is contrary to normal procedure. Laymen who listen to television shows think the accused always takes the stand. We do not act like Perry Mason. We do not walk up to the bench to whisper to the judge. We do not act as they do in that television show. We do not put the accused on the stand to solve every case. It has been my experience and the experience of other defence lawyers that very rarely is the accused put on the stand, regardless of his guilt or innocence. The reason is that he is then subject to cross-examination. He may leave some doubt as to his innocence in the minds of the jury and therefore be convicted.

• (8:40 p.m.)

The onus is strictly on the Crown. That is the principle of British jurisprudence. This principle has been adopted throughout the Commonwealth, including Canada, and throughout the United States. The Minister of Justice referred to the Narcotic Control Act. As far as I am concerned, that is contrary to the Bill of Rights. Perhaps the courts will have something to say about that. There is the Income Tax Act. All these statutes are being set up by the Crown. They have similar clauses. They are different from the Criminal Code. The onus is shifted to the accused and the defence.

I agree with the Minister of Justice that this is a matter of evidence, but in practice it becomes substantive law. Once a person has attended four or five meetings of this association or has been associated with it in accordance with clause 8, and it is established he did this prior to October 16, he is guilty of the crime unless he takes the stand. What does this mean? When a person is arrested, under the normal rules of jurisprudence he does not have to make a statement. In fact, the police in the jurisdictions of the ten provinces have been instructed to warn an accused that anything he may say may be used against him at his trial. If there is any duress, promise, threat or similar statement made to the accused by a police officer, the statement is not admissible at the trial. There is often a fight about this when a person is charged under the Criminal Code.

An admission by an accused must be voluntary. If not, it is ruled inadmissible at the trial because it was made under duress. Some people make statements because they want to be martyrs. One famous case is the Henderson

murder trial. In 1957 a man in a Chicago jail confessed to committing a murder in Calgary which had been unsolved for ten years. When the man was brought to Calgary he said, "I only made that admission to get out of the jail in Chicago." Two years later the proper accused was found. He was tried and convicted. But the Chicago man who was brought to Calgary had made an admission. That is why we have the rule of evidence that statements made by an accused to a police officer or someone in authority must be made voluntarily, and this is the reason a warning is necessary.

Under clause 8, once it has been established by evidence that a person had some contact or association or attended certain meetings, he is guilty until he proves his innocence. Crimes are retroactive to October 16, the date the War Measures Act regulations were proclaimed. The Minister of Justice referred to the law of similar acts. If that is the law of evidence in Canada, the Crown can call evidence to show that a person has committed a certain kind of conduct for a period of time. If he is still engaged in that conduct, he can be convicted. The defence is in the position where it must rebut that evidence. To force an accused to take the stand is contrary to every form of jurisprudence. We are wasting a lot of time on this bill.

An hon. Member: That's right.

Mr. Woolliams: I say to the hon. member that he should add all the minutes and hours that we in the Conservative ranks have talked on this bill. A few days ago we asked that all questions be put.

Some hon. Members: Hear, hear!

Mr. Woolliams: We are not responsible for the playing that is going on in the government backbenches. Perhaps the Prime Minister is responsible. I do not know what tricks he may have up his sleeve. I want to get down to brass tacks and deal with the point I am trying to make. The mess in the province of Quebec will not be cleaned up by this bill or the War Measures Act. It will not be resolved until justice is administered in its proper form. We have the evidence of the police entering a certain apartment, picking up Lortie and missing the two culprits, those who are allegedly guilty of murder or kidnapping.

Mr. Knowles (Winnipeg North Centre): There were three.

Mr. Woolliams: Yes, three. The Minister of Justice or the Prime Minister should make a statement clarifying the situation today. Until today the RCMP have been beyond reproach. They have skills and scientific detection equipment equal to those of any police force in the world. The inference should not be left that this group of people is either incompetent or infiltrated.

The problem is not that we require stronger law. What we require are trained, competent police officers to administer the law. If the Minister of Justice had not received instructions from the Prime Minister he would say that what we need today is to clean up the mess as far as the police force of the province of Quebec is concerned. I think that is the problem. No one can tell me that the police can walk into an apartment, go out for lunch, leave their weapons and ammunition and then say that we need an act to strengthen the law. Good, clean boys are needed to clean up the mess.

Some hon. Members: Hear, hear!

Mr. Woolliams: Because the government is trying to hide under this umbrella, I am not prepared to give them a new law. We do not need new law. We need officers to carry out the law under the Criminal Code. That is what is needed to clean up the mess in Quebec. The Minister of Justice has been told, not only by the opposition but by newspapermen, that if we had the facts behind the reason for invoking the War Measures Act we would know why the government implemented these strong measures. I repeat, they do not need strong measures. What needs to be done is to administer the law which exists in Canada today. Most of those who have been arrested could have been charged under the Criminal Code.

I wish to refer to page 8 of the report of the Royal Commission on Security, paragraphs 21, 22 and 23. This group investigated security in our nation.

The Chairman: Order. The Chair has some doubt as to whether the hon. member is speaking relevant to clause 8. I invite him to refer his remarks to that clause.

Mr. Woolliams: I can understand why you would have some doubts, because I question whether you understand what clause 8 is about.

Some hon. Members: Oh, oh!

The Chairman: Order. I think that on reflection the hon. member will not want that remark left on the record. In fairness, I asked the hon. member to return to clause 8. I did so with respect. The Chair is not infallible. I think the hon. member has wandered sufficiently far from clause 8 that it is the responsibility of the Chair to bring him back to it.

• (8:50 p.m.)

Mr. Woolliams: Mr. Chairman, if I had said anything to hurt the Chair I would be the first to apologize, but with respect I think I am right. I suggest that the securities report is relevant to clause 8, and I will tell you why. The government is asking for extraordinary measures on behalf of the Crown. If only two years ago, when the government had this knowledge, they had exercised the law and adopted the recommendations of the royal commission, they would not have had to pass this legislation today. The mess in Quebec would have been cleaned up long before the War Measures Act was invoked.

With the greatest respect to the Chair—and I have been respectful as far as the Chair is concerned—I still contend the report is relevant to clause 8. Although lawyers might understand the clause in theory, in practice it is a very dangerous clause. Therefore I would ask

the Chair to hear me out so far as the report of the Royal Commission on Security in Canada is concerned. Paragraph 21 of the report makes direct reference to when the security of Canada is at stake. Two years ago the government knew about the FLQ. Having that knowledge, why did the government not move in? They did not move in and as a result created some action, even some reaction, and brought in these extreme measures.

When we question the government on Orders of the Day, they always reply that it is a matter for the Attorney General of the province of Quebec; that it is a provincial matter. The government is implementing extraordinary measures either through the War Measures Act or through this special act. If the government had fulfilled their obligations, as the Royal Commission on Security recommended, they would not be in the mess they are now. The situation is such that this is a question that goes to the security of our nation. Since it goes to the security of our nation we are entitled each day to get answers from the Minister of Justice, from the Solicitor General and from the Prime Minister. Yet each day they refuse; they say it is a provincial matter. They say, "We only pass the act. They are implementing it".

To come back to clause 8—

Some hon. Members: Hear, hear!

Mr. Woolliams: I am very glad hon. members are clapping. Clause 8 gives the government, the police and the Crown extraordinary Powers in regard to the admission of evidence. It places the onus on every accused in Canada to prove his innocence. We would not even have to consider this sort of measure tonight had the government acted in accordance with the recommendations of the Royal Commission on Security.

Mr. Drury: This is your second reading speech, is it not?

Mr. MacEwan: You could learn something from it. You are a cabinet minister from Quebec and should know about this.

Mr. Woolliams: It took two years for the government to make up their mind. It is easy to get hysterical and for the government to say they have done something. But what have they done? I ask them through you, sir, will they please stand in their places and explain tonight how the police can go into an apartment, arrest one person and miss three others, as well as leave their guns and ammunition in the apartment?

Mr. Turner (Ottawa-Carleton): On a point of order, Mr. Chairman, that was denied today by the Quebec police. The only basis for this information, as I understand it, is a communiqué issued by the FLQ.

Mr. Woolliams: Will the Minister of Justice stand in his place and say that these facts are not correct; that he has investigated the matter and he finds these facts are wrong? The *Globe and Mail* and other newspapers in Canada must have printed facts which were not true. I would accept the statement of the Minister of Justice if he would stand now and say that these three men were not in the apartment when the police walked in.

The Chairman: Order, please. Again may I indicate to the hon. member that we had a very broad and useful debate on second reading and on clause 2 of the bill. With all respect to the hon. member, it seems to me we are ranging much further than we should at this particular stage of the proceedings. I would ask the hon. member for Calgary North to return to clause 8 of the bill.

Mr. Woolliams: Mr. Chairman, as far as I am concerned I think I am right, and I still submit, with the greatest respect to you, that I am relevant. We would not have to ask Parliament tonight to pass and approve these extraordinary measures if the government had acted. We would not have to ask Parliament to approve these extraordinary measures tonight if we knew that the law would be administered as it is administered in the rest of Canada. The Minister of Justice says this statement has been denied today, yet he himself has not denied it.

Some hon. Members: Order.

Mr. Woolliams: I ask the Minister of Justice to stand in his place—

Some hon. Members: Order.

Mr. Woolliams:—and say that these facts are not correct; that these accused, allegedly guilty of kidnapping and murder, were not in the apartment—

Some hon. Members: Order.

Mr. Woolliams: —at the same time the police were there, and that the police went out for lunch. I ask the minister to stand now and say that that is not correct.

Some hon. Members: Order.

Mr. Woolliams: If the minister will stand and say that, we may go along with these extraordinary measures. But if we are going to give the police power to administer a law of this kind, with that kind of administration—

Some hon. Members: Order.

Mr. Woolliams: —what is going to be the result with regard to giving the police extraordinary powers of this sort? It is not going to clean up the mess. What we are trying to do tonight is clean up the mess in the province of Quebec. As long as the law is administered as it is, how can we clean it up? This is why I want to hear from the Minister of Justice. The minister may say this story has been denied. Perhaps a newspaper wrote one thing this morning and somebody denied it this afternoon. The minister could get on the telephone to the Attorney General of Quebec and find out whether or not these facts are correct.

Secondly, during the question period I asked whether the government had investigated to find out if these facts

are correct. Then Parliament would be able to move and decide what kind of powers the police need. But without that information, with the greatest respect, Mr. Chairman, Parliament is being asked to make a decision without evidence in the same way as we made a decision without evidence in regard to invoking the War Measures Act.

Coming back to clause 8—

The Chairman: Order. I regret to advise the hon. member that his time has expired.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I should like to speak for a few minutes and to return to the amendment to clause 8 moved by my colleague, the hon. member for York South. In particular I should like to get back to some of the things the minister said when he spoke to the amendment before five o'clock this afternoon. I always listen with a great deal of interest when the minister speaks to us on these fine points of law. However, when I listen to him and to other learned gentlemen in this House I always get two impressions. On the one hand I get the impression that lawyers like to use words that are not in our normal vocabulary, thus creating the impression that there is a mystery about the law that ordinary people cannot really comprehend. The other impression I get, however, when I listen attentively, is that when you boil it all down the law is fundamentally a matter of logic.

• (9:00 p.m.)

An hon. Member: And common sense.

Mr. Knowles (Winnipeg North Centre): Yes, I would even add common sense and an adherence to certain principles that have been accepted and established. Accordingly, I paid particular attention to the minister when he tried to argue that clause 8, as he has put it in the bill, is defensible because, as he has said, there are many other statutes which have a similar provision in them.

I listened to the provisions that he cited and, with respect, I must say I do not feel that a single one of them was on all fours with the wording in clause 8 which is now before us. I say that because in every case the something that one did that could be used as presumptive evidence occurred at a time when that act was an offence. For example, if I may think of one or two, the minister said that possession of certain drugs is presumptive evidence that one is trafficking. The difference between that kind of legislation and this is that at the time one had the drugs it was a crime to engage in trafficking, but in this clause a law is being written which refers to a period of time before it was a crime, as in this case, to be a member of the FLQ.

I submit with all respect that if the minister will take another look at those examples he gave us during that interesting speech this afternoon he will have to admit that there is not one that is on all fours with the provision of clause 8, and there is not one that defends the legitimacy of this clause on the general principle that precedents establish a case. It is because new ground is being broken in this clause that I feel the amendment of my colleague the hon. member for York South (Mr. Lewis) should be supported.

The minister in his remarks this afternoon made a great deal out of the fact that persons can be found guilty on the basis of presumptive evidence, or at least presumptive evidence can be used against them even if it relates to something that had been done prior to the time of the offence for which they are charged. The minister tries to carry that over to this by saying, therefore, that if one attended meetings of the FLQ three or four years ago, prior to the time of the offence, which could only occur since October 16, that can be used against him. The point I make is that in all of these other laws under which a person's action prior to the time of the offence can be presumptive evidence against him, it was at least a crime at the time the offence was committed or the act was performed.

In this case we are being asked to say that what a person did when it was not illegal, when it was perfectly within the law, can be used as presumptive evidence against him in the period of time when the new law is in effect. I submit that the things my colleagues have said about the dangers of retroactive law of this kind are correct and that we are embarking on a dangerous course.

Perhaps I may go a bit further in respect of what I heard the minister say this afternoon. I believe it is correct to say that he said if a person is accused under this clause and can establish doubt about the evidence that he was in attendance at FLQ meetings prior to October 16 then, of course, that falls to the ground and he is in the clear. Supposing such a person cannot cast doubt on that evidence; supposing the facts establish that the accused was at meetings, in the plural, of the FLQ prior to October 16: then I submit that unless he can produce evidence that he is not now a member of the FLQ, and it is just as hard to prove you are not as it is to prove that you are, then the plain wording of clause 8 means that in the absence of evidence to prove that he was not at such meetings when it was not illegal to be there, that in itself is proof that he is now a member of the FLQ.

In the plainest way I can put it, it seems to me that is passing a law that has a retroactive effect. It is not being made a crime to have attended FLQ meetings in 1965, 1968 or 1969. That is not being made a crime by this measure.

However, if it can be proven under clause 8 that one did attend meetings in those years, and if one cannot prove that he is not now a member of the FLQ, then under this clause such a person can be found guilty of the main offence in clause 4, which is membership in the FLQ, and is liable to the punishment set out in this bill. So, Mr. Chairman, for these reasons, and because it seems to me in the plainest of logic we are being asked to support a proposition that is retroactive in effect, I urge that the minister given more weight than he has yet

given to the arguments advanced by my colleague the hon. member for York South.

I end the way I started, by pleading with the minister to face the fact that the examples he gave us in other statutes are not on all fours with this one. They are not good precedents and they are not reasons which justify the kind of departure that is involved in this dangerous clause. I urge the committee to support the amendment of the hon. member for York South so that it is only attendance at FLQ meetings since it became a crime to be at such meetings, that can be used as evidence against an accused person.

Mr. Barnett: Mr. Chairman, like the hon. member for Winnipeg North Centre, I was impressed by the clarity of the minister's statement this afternoon in outlining to the House the place and the role of what he termed presumptive evidence in proceedings before the courts. It was because of the clarity with which the minister outlined the existing practice and precedent in this connection that I became more than ever convinced of the fact that my colleague's amendment to clause 8 is necessary and desirable.

There is one example the minister gave this afternoon which the hon. member for Winnipeg North Centre did not touch upon, and this is the one which to me clarifies the position we are in. The minister made reference to the crime of seditious conspiracy. He stated, quite properly, that his objective was to stamp out seditious conspiracy. I think there is no quarrel in the committee that this is apparently the purported objective of the bill before us. I think, also, that most members of the committee will recognize that seditious conspiracy is one of the most difficult offences to deal with and, if I follow the minister correctly, I can see the place and the role of presumptive evidence in respect of prior activity and association with the FLQ. I can understand the role of presumptive evidence when the activity or association occurred over recent months or even years in relation to a charge or an allegation that a person had been involved in seditious conspiracy.

• (9:10 p.m.)

It seems to me the very argument the minister advanced in that connection makes it more apparent than ever that to now apply that principle through the proposed new offence is certainly not in keeping with the principles of our law and justice as outlined by the hon. member for York South. So far as I am concerned, the very idea of declaring such an organization to be illegal or unlawful is distasteful. This is something which I think we should weigh carefully at any time, both in respect of its practical result and whether or not it is necessary and desirable in a democratic society.

I am prepared to admit that in dealing with the problem of seditious conspiracy there may be circumstances, as this bill suggests, when such a specific group or organization and its membership should be determined to be unlawful. However, if we deal with it in the sense of going back into a person's past and are not prepared to allow people to act in accordance with what Parliament decided with the coming into force of this law, we are going beyond what I feel is necessary or desirable. It seems to me that the minister has something in this legal bag of tricks which he has not yet logically put before the committee. He and all his colleagues on that side of the House should stand and support this amendment.

[Mr. Knowles (Winnipeg North Centre).]

Mr. MacDonald (Egmont): Mr. Chairman, there is a good deal in this legislation which I find offensive. Perhaps there is little that is more offensive than the clause we are discussing. The decision to include a clause which would allow the police to arrest and charge people who have been members of a particular group or organization for some years and who perhaps a few weeks ago terminated that membership, all argument to the contrary, is something that is so unbelievable and unjust that I find it difficult to comprehend that any government would have the audacity to bring such a suggestion in legislative form before this House. I find it repugnant that members of this House should be expected to approve a clause of this bill which would establish guilt on a retroactive basis.

This clause states that membership of any nature in an organization that was not considered unlawful until a few weeks ago can constitute the necessary evidence with which to charge a person with a criminal offence. This is too strong and unpalatable to be justified on the ground of security in this country. Not only are we in effect stating that certain acts in the past which individuals may have committed, or certain statements which individuals may have made, are a crime, but in this legislation we are creating a new crime which is either membership in, support for or encouragement given to a particular movement.

This would be bad enough in itself in light of the traditions of this country, but the fact is that we have not yet been given evidence in these many days or weeks of debate concerning the nature of the FLQ and what in particular would constitute reasonable evidence in respect of a criminal offence in this respect. Certainly the minister did not offer to this House in the earlier discussion on clause 3, which was stood, nor in the subsequent debate on various other clauses any relevant information concerning the exact nature of what would constitute a crime in respect of the FLQ. I think he has not done it primarily because he is not able to do it.

In the first instance, the minister has not been able to define the exact nature of the FLQ for purposes of arrest, charge and conviction. Are we, then, to be asked to put ourselves in the completely unbelievable position of suggesting that attendance at meetings or earlier support for some aspects of this organization will constitute evidence that would convict one of a criminal offence? This really is an Alice in Wonderland situation. I am amazed at the audacity and the fictional kind of existence in which the minister and the government must live, when they would expect either members of this House or the people of the country to believe that the establishment of a clause establishing retroactivity is in the best interests of the country or in the best interests of dealing with the present difficulties in the province of Quebec.

Further, it is beyond me how we can in all justice expect to have the people of this country accept as fair legislation which calls for the establishment of criminal offences which when committed in the past were not criminal. By the simple passage of this clause in the bill we would in effect be telling the people that something they did in the past, which to the very best of their knowledge did not constitute a criminal offence, has now in fact become a crime.

It is possible that next year the government might decide that some other organization is in effect of a like nature to the FLQ, and that it would constitute a criminal offence to support that organization, not only now when the legislation becomes valid but perhaps 10, 15 or 20 years ago when it seemed to be no criminal offence to belong to or support a specific organization. It is incredible that we should be engaging in a discussion of such a proposal this evening. Although we certainly are dealing with an organization which is repugnant to almost 100 per cent of the population today, this does not set aside the possibility that some other day another government, or perhaps this government, will propose similar steps in respect of other organizations, other activities, other bodies and other beliefs or ideologies.

In this proposal we are asked to accept a presumption of guilt which strikes me as being contrary to everything I understand of our system of justice. A person will be called upon to prove that in his earlier association, which he may have terminated half dozen years ago, he has no longer maintained some kind of active interest or support. How in the name of heaven is an innocent individual before the courts expected to prove the nebulous assertion that he is no longer an active member or supporter of that particular organization?

• (9:20 p.m.)

There is one thing that is basic to the legislative framework assembled in this place. Not only must we provide laws that are just and fair to the citizenry of this country; they must, above all else, appear to be just. It has not taken very long for a great number of people in this country who have looked at this bill to realize that of all aspects of it this clause is obviously and in the first instance the most unjust. If we are seen to be assenting here in this place to this kind of unjust precedent, we do no service to the remainder of the body of laws and statutes of this country. I urge the minister to reconsider the wording of this clause so as to strike out what I think is offensive both to the House and to the good common law of this country.

Mr. Skoberg: Mr. Chairman, I will not bother you or the minister for too long, but as I listened to hon. gentlemen and members of the House tonight I realized that around 30 per cent of them are from the legal profession, which makes one timid to stand up and cast a layman's opinion on some of the proposals which we have before us.

I would suggest at the beginning that the Minister of Justice, prior to the supper recess, tried at least to indicate that clause 8 was perfectly all right and that somewhere in it everyone was well protected. At the same time, I am sure that lay people across this country, about whom we should be concerned so that we can talk to them on the street and at work and not necessarily in a court of law, should have their laws put into language that they understand. I suggest that if there is any reasonable doubt whatever about the clause under discussion, the minister should take another look at it. Surely the minister must realize that if he had to spend the length of time that he did in this House speaking to many of his learned friends, many of us and many people in the country will never understand what the clause says.

Let us, for example, look at the first paragraph of the clause which contains the words "either before or after". That in itself should give everyone cause for concern. I am pleased to see that even some of the members of the minister's party have questioned the terminology before us. I am sure that the hon. member for Calgary North when speaking a while ago about past cases in the courts could recount others, as could other lawyers in the House, and tell us what might happen in the future. But we also know that many people will collaborate with those who they believe are doing something for them. I suggest that people in Quebec who at one time thought the FLQ was doing something for them and who were with the FLQ and supported that organization, now denounce terrorist actions, as all of us in the House have, when they have found out that the FLQ thinks that force is the only way to achieve its ends.

If one looks at clause 8 and at the amendment proposed by the hon. member for York South, one can see no reason why the Minister of Justice would not at least wish to stand up and say there is reasonable doubt regarding the wording and that he will do something about it. He could at least say he will take another look. Instead, he spoke for about an hour explaining something that was beyond the understanding of most people in this country; and after trying to explain it he suggested that we should have such things as "shifting onus", "primary onus", "presumption of fact" and all that type of terminology that means very little to the average individual.

The basic question that we have to ask ourselves tonight is whether or not these provisions will be retroactive with regard to those who may at one time have believed that a certain group of people represented their interests. I suggest to the minister that if he is not prepared to give serious consideration to this amendment, it will amount to telling the people of the country that it is he who piloted the bill through the House, he who is the leader as far as this bill is concerned and not the leader of the Liberals. Maybe he would like to be the leader, but he is not quite there yet. I understand from the news tonight that there may be a leadership contest before too long.

Mr. Orlikow: Look at the results of the by-elections.

Mr. Skoberg: I understand that if he puts the legislation through and the House passes it, he can wash his

hands of it completely and say, as they have been saying for the last two weeks, "We have put it into effect. Now it is up to the attorneys general of the respective provinces". It is wonderfully easy for learned people in this House to say they have passed the buck to someone else. At the same time, people can rot in jail for 90 days swearing that they were not and are not members of the illegal association.

I think that some members of the Liberal party believe in the positions of the World Federalists. There is one short paragraph in the recent editorial on that publication which I would like to quote. The words I will read are not to be found in the law books, but I am sure that the editorial gives a good analogy to the situation we are now facing. One part of the editorial reads as follows:

> In fact, as laws pile up, peace and order recede further into the background. Anti-riot laws, anti-conspiracy laws, anti-drug laws do little to shore up respect for the lawmakers and do nothing to enhance their authority. As their laws multiply, their authority derives more from guns than from legislation.

Surely the Minister of Justice must realize that to correct the situation with which we are faced today we need more than this legislation. I am sure he realizes that if he refuses to accept any of the amendments suggested to clause 8, what he is really saying is that we might as well wipe out any pretence of suggesting anything that will have any benefit so far as this legislation is concerned.

It has been said to me—in fact, this applies also to many union contracts that have been signed throughout the country—that it would be much better if professors of English were to write some of the legislation and some of the union contracts, so that they would make sense to the average individual. If I could possibly get the attention of the Minister of Justice for a moment I would like to plead with him, if he believes there is any reasonable doubt regarding the wording of the clause, to stand up right now and say that he will take another look at it. Otherwise, this entire debate will be a complete farce and the onus will be placed on the Liberal government.

Mr. Fairweather: Mr. Chairman, because we are sitting in Committee of the Whole and therefore there is no way in which our opposition to this provision can be registered without our voicing it, I will take a minute or two to say that I will vote for the amendment proposed by the hon. member for York South. I realize that the minister has had a long day and that there are other discussions that he wishes to continue with his colleagues, but perhaps someone else will listen to what I have to say.

Perhaps the outlawing of dangerous toys is the most serious issue facing the country. I do not happen to believe it is, although I commend the Minister of Consumer and Corporate Affairs for that bold initiative. The curious aspect of this provision of which I want to remind the minister is that this legislature, and legislatures similarly organized, are the only places that could have the audacity to promote such retroactive provisions and have them ruled constitutional. To put it much more quickly and simply, this provision would be clearly unconstitutional were it passed in the United States of America. Therefore, we should question it. I think it is worth while to take a little time on this bill, particularly on a provision such as this clause.

• (9:30 p.m.)

An hon. Member: A couple of weeks?

Mr. Fairweather: The second curious fact is that we have been along this road before in this Parliament. Anyone who has read about the mistakes that were made by predecessors in office at the time of the Winnipeg general strike know that very serious errors were made at that time because of the hysteria that surrounded the strike. It took a good many years to remove that legislation from the statute books. I think it is to the credit of Ernest Lapointe, the then Minister of Justice, and the Mackenzie King government that section 98 of the Criminal Code was finally abolished. But, Mr. Chairman, having passed along this road before, here we go again.

Seriously, I ask the minister, what was the rationalization behind this clause? Where did it come from? Is it the same as in other statutes, or is it some new initiative, some new piece of draftsmanship without precedent? I shall oppose this provision and vote for the amendment. I am curious about the origin of this retroactive provision and can only say it is abhorrent.

Mr. Broadbent: Mr. Chairman, of all the amendments that have been proposed, this is probably the most fundamental. It has attracted the support of a number of serious members on both sides of the House. It would be an act of both courtesy and earnestness for the minister to reply to some of the criticisms before we vote on the amendment.

Mr. Woolliams: What's the use, if he is going to say the same thing again?

Mr. Turner (Ottawa-Carleton): The hon. member for Calgary North has just said what I was going to say. It would not be much use if I were to say the same thing again to the committee. I have listened carefully to all the arguments. I think I could repeat every argument made by hon. members, whether they be lawyers or non-lawyers. If the hon. member for Oshawa-Whitby reads my speech, I think he will find there has not been an argument that I have left unanswered.

Mr. McCleave: Mr. Chairman, I think the hon. member for Fundy-Royal made a perfectly legitimate presentation. He asked the minister for the ancestry of this rather weird clause that we are studying.

Mr. Turner (Ottawa-Carleton): I cannot give a full pedigree of the clause. It was drafted to meet the present circumstances. It bears no relationship to, nor does it derive any ancestry from section 98.

Mr. Fairweather: I did not say it did.

Mr. Turner (Ottawa-Carleton): Its parentage cannot be traced back through any particular lineage. It is something specifically drafted to meet a specific, current problem.

Mr. Orlikow: If the hon. member for Fundy-Royal and the Minister of Justice want to know the origin of this bill they should read an article which appeared in the Montreal *Star* on Saturday, written by W. A. Wilson, an Ottawa correspondent who is not unfriendly to the government. He makes the case very plainly that the bill has its origin in section 98. I had my say about section 98 before and I will not repeat it. I think the bill has two origins, one in section 98 and the second in the feeling of the minister that he owes something to the Attorney General of Quebec, and he is going to pay that debt in this bill.

The Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Lewis) negatived: Yeas, 29; nays, 51.

The Deputy Chairman: I declare the amendment lost.

Mr. Gilbert: Mr. Chairman, I have a further amendment to clause 8. I move that clause 8 be amended by adding the following subclause:

2. In any prosecutions for the offence of being a member of the unlawful association, the accused shall not be convicted unless it is established that he knew of the use of force or the commission of crime by members of the unlawful association.

My moving of this amendment was prompted by a telegram sent to the Prime Minister by 23 members of the faculty of Osgoode Hall and York University, Toronto, setting forth their objections to the War Measures Act. In their third suggestion they said no one should be charged or detained by reason of his membership in any organization unless there is evidence acceptable to a court of law that he knew or ought to have known of the violent methods of such an organization.

• (9:40 p.m.)

If we are to accept the minister's interpretation of clause 8, it is that this is an evidentiary presumption in relation to the one offence of membership in the FLQ. This afternoon he outlined how the presumption operates. If the accused can set forth a case with the balance of probabilities in his favour, then the onus shifts to the Crown to prove beyond a reasonable doubt that the accused is a member of the FLQ. But the thing that concerns me, Mr. Chairman, and I am sure it concerns members of the faculty of Osgoode Hall law school of York University, is that there are two types of membership, active and passive.

Clause 8 of the bill states:

In any prosecution for an offence under this act, evidence that any person, either before or after the coming into force of this act,

(a) participated in or was present at a number of meetings of the unlawful association or of any branch, committee or members thereof—

In paragraph (a) you have participation in or being present, in paragraph (b) you have speaking publicly in advocacy for the unlawful association, and in paragraph (c) you have communicating a statement on behalf of or as a professed representative of the unlawful association. The first line of paragraph (a) states, "participated in or was present at a number of meetings", but you get an active participation in the other paragraphs. Under paragraph (a) you could have a charge against a person who "participated in or was present at". When you look at the words "was present at" it means you are sort of dwelling on mere membership.

One of the things that has worried many members in this House, and I notice it worried the hon. member for Sault Ste. Marie this evening, is the type of evidence that could be brought forth. If a person is charged under clause 4 with being a member and the evidence comes forth that he was present at a number of meetings—the minister has said this may be an improvement over the regulations—the question arises as to the type of evidence he can present to rebut this allegation. It would be difficult for him to say, "I was not present at the meetings". The minister has admitted that there may be two types of evidence: he may be able to argue that he was not present, or that at the time of the charge or previous to it he had renounced membership in the association. I am sure this is the reason why the professors of Osgoode Hall at York University were so concerned about mere membership.

I can appreciate a person being charged if he has participated, if he has advocated or if he has communicated; but if his membership is mere presence at the unlawful association it does impose a tremendous burden upon the accused.

Mr. Turner (Ottawa-Carleton): I wonder if the hon. member would permit a question.

Mr. Gilbert: Certainly.

Mr. Turner (Ottawa-Carleton): Has the hon. member the date of that communication from York University?

Mr. Gilbert: Yes, I have, Mr. Chairman. The telegram is dated October 21, 1970, and is addressed to the Right Hon. Pierre Elliott Trudeau, Prime Minister. I shall be glad to send it over as soon as I have finished. These are the submissions that were prepared and sent to the Prime Minister, signed by 23 members of the Osgoode Hall faculty of law, York University, Toronto. I might add that the provisions in this bill are practically the same as the provisions dealt with by the professors in sending the telegram to the Prime Minister.

I think I have made my point, Mr. Chairman, that the real problem that faced the professors and faces many members is this question of mere membership or passive membership—the attending of meetings when the FLQ was a lawful association. This imposes upon the accused the burden of proof. As the minister has said on other occasions, judges may say that presence at those meet-

ings is sufficient to establish guilt, rather than following the second line that the minister has submitted, that an accused could bring forward evidence that at this time or a short time after attending the meetings he had renounced membership in the FLQ.

If the FLQ is an unlawful association—and we say it is unlawful because it advocates violence for the overthrow of the government—surely mere membership should not be sufficient grounds to lay a charge against a person who attended meetings before it became an unlawful association. I appreciate that if the person has participated at the meetings or has communicated or advocated, it is a different matter. But mere membership should not be sufficient to charge or detain unless there is sufficient evidence that the accused ought to have known of the violent methods of the FLQ.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I should like to deal briefly with the amendment proposed by the hon. member for Broadview. The reason I asked for the date of the communication to the Prime Minister from the professors of the Osgoode Hall faculty of law at York University was that since the date of that communication, October 21, the regulations have been, not replaced but substituted by the bill. That is to say, the communication from the professors was dealing with section 8 of the regulations, which differs in a material way from clause 8 of the bill.

Mr. Broadbent: Would the minister permit a question related specifically to what he is now saying? If the minister looks at page 2 of the brief from the members of the law faculty of Osgoode Hall he will notice that the section is subtitled, "With respect to possible new legislation." It is with direct relation to this legislation that the proposal is made, not to the War Measures Act.

Mr. Turner (Ottawa-Carleton): Yes, Mr. Chairman, but with the greatest respect, at that time the professors had no idea what was going to be in this bill. The bill differs in quite a material way from the regulations with respect to the point made by the hon. member from Broadview. The regulations state:

> In any prosecution for an offence under these regulations, evidence that any person
>
> (a) attended any meeting of the unlawful association

The bill states:

> In any prosecution for an offence under this act, evidence that any person, either before or after the coming into force of this act,
>
> (a) participated in or was present at a number of meetings of the unlawful association or of any branch, committee or members thereof—

There are two material differences in that paragraph. The first is that the idea of participation is added and the second is that it must be a number of meetings. I am advised that this means two or more meetings. I am suggesting that what the professors were directing themselves to has now been materially changed, and now each one of these three paragraphs deals with active participation or a positive act.

[Mr. Gilbert.]

• (9:50 p.m.)

Mr. Douglas (Nanaimo-Cowichan-The Islands): Or attendance.

Mr. Turner (Ottawa-Carleton): Participation contains the concept of an act.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Or?

Mr. Turner (Ottawa-Carleton): Or was present at a number of meetings. Not just one.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Two?

Mr. Turner (Ottawa-Carleton): "Spoke publicly in advocacy." There is an active concept in that idea. Then, "(c) communicated statements on behalf of or as a representative or a professed representative." Again we find an active principle—the sharing of ideas. There is nothing passive in those three paragraphs. The criticism to which the hon. member and the professors of York University directed their attention may have had some application to paragraph (a) of the regulations at that time, but in my submission it does not apply now.

The hon. member is suggesting we should impose an additional burden of proof; that an accused person has to know what the organization is all about. The FLQ is so notorious that its objectives and means are well known not only in Quebec but throughout Canada. How any person can possibly be a member of the FLQ without knowledge of its willingness to resort to the use of force and the commission of crime is hard to imagine. The nature of the organization is known to persons generally across Canada. If, in a situation which I find it difficult to imagine, someone came before the courts and said, "I was a member of the FLQ but I did not know what it was all about", the judge would be bound, if he were satisfied that this was true, to instruct the jury accordingly and the jury would be bound to find accordingly. I doubt very much if such a person would then be convicted or, if he were, whether he would get much of a sentence. But to put into the bill such a provision as is suggested, when the bill is now drafted quite differently from the regulations would, I contend, be placing an unwarranted burden of proof on the Crown.

Mr. Olson: Might I suggest to the committee that under the provisions of Standing Order 6(5)(a) we interrupt the proceedings to ask Mr. Speaker if we can extend the sitting of the House tonight until the Committee of the Whole has disposed of clause 8 of Bill C-181, or eleven o'clock, whichever is earlier?

Some hon. Members: Agreed.

The Deputy Chairman: Order. In view of the request made by the minister, it is my duty pursuant to section (5)(a) of Standing Order 6 to interrupt the proceedings of the Committee of the Whole in order to permit the House to make a decision on the motion to be proposed by him.

The Acting Speaker (Mr. Laniel) resumed the chair.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I move, seconded by my colleague the Minister of Fisheries and Forestry (Mr. Davis):

That this sitting be extended until clause 8 of Bill C-181 has been disposed of by the Committee of the Whole, or 11 o'clock, whichever is earlier.

The Acting Speaker (Mr. Laniel): Before putting the motion I feel I should read to hon. members the relevant Standing Order:

When Mr. Speaker puts the motion on such question he shall ask those who object to rise in their places. If ten or more hon. members then rise, the motion shall be deemed to have been withdrawn. Otherwise, the motion shall have been adopted.

All members opposing the motion will please rise.

And none having risen:

The Acting Speaker (Mr. Laniel): I declare the motion carried. The House will resume in Committee of the Whole.

And the House having resumed in committee:

Mr. Broadbent: With respect, as one says around here, the Minister of Justice has completely missed the point. The proposal outlined in the brief submitted by the professors of York University did, indeed, deal with the substance of clause 8. They did deal with what they thought should have been included in clause 8 and, at the same time, with what they thought should be excluded. The amendment proposed by the hon. member for Broadview is taken word for word from their proposal. In effect, it says that no person should be convicted for mere membership unless it can be shown that he knew, or should have known, something about the intention of the FLQ or some related body to use violence. It is not a question of some other crime, but of violence.

This appears to be exactly the point with which the faculty of law of Osgoode Hall were concerned. We have to decide whether or not the proposal which my hon. friend from Broadview had put forward is good on its own merits. I should like to give my reasons for thinking it is a good one. It is common practice in the legal systems of most democratic countries not to convict on the grounds of mere membership of an association. I refer in particular to the recent decision of the Supreme Court of the United States which declared ultra vires a law which made it a criminal offence to be a member of the Communist party. The ground of this decision was, as I recall, that mere membership in the association, a part from the commitment of specific acts of crime, should not be considered a criminal offence.

My hon. friend for Broadview has put forward an argument of essentially the same nature. For the reasons he has given, it seems entirely appropriate that a person should not incur the serious penalties proposed in this bill for mere membership. The requirement is that he should have foreknowledge of the violence associated with this organization, and I should like the minister to deal specifically with this argument.

The Deputy Chairman: Order. For the benefit of hon. members the Chair will read Standing Order 40(7) which states:

When it is provided in any standing or special order of this House that any specified business shall be continued beyond the ordinary time of daily adjournment or that any such business shall be forthwith disposed of or concluded in any sitting, the adjournment proceedings in that sitting shall be suspended.

This means there will be no adjournment debate tonight. I point this out for the benefit of members and ministers involved. Is the committee ready for the question?

Some hon. Members: No.

• (10:00 p.m.)

Mr. Gleave: I wish to ask the minister a question with regard to the FLQ. Are there any membership lists or known procedures whereby persons are known to be members of the FLQ? Is there any means of calling meetings? What is the definition of membership? Is there a membership fee? How is this arrived at?

Mr. Turner (Ottawa-Carleton): I have already said in this House, and I say again to the hon. member for Saskatoon-Biggar, that my reply was to the substance of the argument of the hon. member for Broadview after I made particular reference to the date of the statement by his colleagues from York University. Although I may not have dealt with it satisfactorily from his point of view, I did deal with it. I would probably be more courteous to the committee if I did not bore them with repetition, even though my original statement may have been inadequate. I try to meet every argument as it is put forward.

In answer to the hon. member for Saskatoon-Biggar, there is a difficulty in establishing membership in the FLQ because it is not a legal organization. It does not have all the trappings such as a corporate charter, purposes, objects or perhaps even a membership list, although I am not in a position categorically to reply to that. Because of this, the definition in clause 4 must be as all-embracing as it is, in other words, to assume or to relate membership from or to a series of acts. One who professes to be a member is assumed to be one, or if he communicates statements on behalf of the association. He is assumed to have that type of relationship if he advocates and promotes the unlawful acts or means of the association. Clause 4 is drafted in this way because there is not a standard procedure of ascertaining the membership of a clandestine, hidden conspiracy.

Mr. Gleave: This clause purports to make a person guilty if he has in the past attended a meeting of the FLQ. How is such a meeting defined? If a person attended a meeting of the FLQ one, two or three years ago, how is the meeting he attended defined for purposes or determining guilt?

Mr. Turner (Ottawa-Carleton): That would be a matter of fact. It would have to be proved beyond reasonable

doubt to the satisfaction of a court. If a number of people who were proved to be associated with the purposes, objects and methods of the FLQ met for the purpose of advancing the objects of the FLQ, I assume that can be considered to be a meeting within the standard dictionary definition. If it were established that a person attended a meeting or a number of meetings, as the clause reads, creating a presumption of fact in favour of his being a member of that type of association, and he were not able to rebut that assumption by contradictory evidence of subsequently having had nothing to do with it, or having reached a parting of the ways because he found he disagreed with the objects and was not willing to participate in the violence—if he were able to do that he would in the final analysis be found not guilty. Definition of the word "meeting" is what is understood in normal parlance by the word "meeting". In the absence of any definition in the bill, such term would be defined in the standard dictionary.

Mr. Gleave: Supposing, Mr. Chairman, there was a meeting at which was discussed the separation of Quebec from the rest of Canada, even by violent means. Such meeting may have been a meeting of the FLQ, it may have been a meeting of some Maoist order or a meeting of two or three dissident organizations. By what means or definition is it established that the meeting that a person attended was a meeting of the FLQ?

Mr. Turner (Ottawa-Carleton): You would have to establish facts to that effect. You would have to establish it was an organization that was, I suppose, parading under the auspices of the FLQ and meeting to seek the violent overthrow of the government of Quebec, or the separation of Quebec from the rest of Canada. This would have to be established to the satisfaction of the court. I cannot give the hon. member a complete list of the factors that might enter into the definition or into proving a case.

Mr. Gleave: Mr. Chairman, I am genuinely concerned about this question because I have spent about 20 years attending meetings of farm organizations in western Canada and have seen a lot of odd-ball meetings in my time. What I am concerned about is this. We are being asked to pass legislation that defines the position of a person who is going to be charged with having done a certain thing. By what definition or by what rule book do you establish that the person charged with attending the meeting had attended a meeting of the FLQ? If there is no membership list or means of defining these people, the person who is charged is, I suggest, left in a pretty precarious position.

How does one establish, first of all, that a person attended a meeting of this particular group? Secondly, if the group cannot be defined, how does the person know what he was attending? If the minister can offer any yardstick to the committee in this regard, I should like to hear what it is.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I think it is pretty clear that if a man or woman is attending a meeting that is called for the purpose of discussing the use of violence or crime to overthrow the government of Quebec—

Mr. Douglas (Nanaimo-Cowichan-The Islands): Does it say that?

Mr. Turner (Ottawa-Carleton): No. But if one reads the definition in clause 3 and in the second paragraph of the preamble, that becomes clear.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, I will not detain the committee for more than a minute, but may I say to the minister that I think he has very neatly evaded the point that the hon. member for Broadview was making. The minister says that he cannot possibly conceive of a person who is a member of the FLQ not knowing the purposes and objectives of that organization. We are not dealing here with a person who is a member. The purpose of clause 8 is to prove that he is a member.

• (10:10 p.m.)

The minister dealt with participation, he dealt with advocacy and he dealt with communication. What the hon. member for Broadview was pointing out, so neatly sidestepped by the minister, was that any person who was present at a number of meetings of an unlawful association or a branch or committee thereof, or in attendance at meetings of a small group which did not put up big signs saying "this is the FLQ. Come in and get a machine-gun because we are people of violence," is a member of an unlawful association unless he can provide evidence to the contrary.

The hon. member for Broadview is pointing out, not that membership does not presume guilt but that mere attendance could be the result of a misadventure on the part of a person who attended a couple of meetings some years ago during student days and later became aware of the purposes and objectives of the organization and terminated his association with it. If the minister leaves this matter with the mere presence of someone at a meeting being proof of membership, and places that kind of power in the hands of attorneys general and police forces, he will have many cases of flagrant maladministration of justice in the province of Quebec.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I will try to repeat again perhaps more succinctly, if I am able, what I said initially in reply to the hon. member for Broadview. It is no longer true to say that clause 8 can be interpreted without some ingredient of conscious action by way of participation or association at a number of meetings, or a course of conduct, or active communication, advocacy, promotion or something like that. That positive act assumes some conscious knowledge of what is going on.

I said that it was inconceivable to me that anyone who was a member of the FLQ, or attended meetings of the FLQ in such a fashion that he would be caught on a

presumption, would be someone other than one who attended meetings where they were discussing violence and sedition or, armed seditious violence. On the basis of common experience it is inconceivable to me, based on the notoriety of the FLQ, that anyone who was at such meetings would not know of their objectives and purposes.

I said to the hon. member for Broadview that in the hypothetical case where that might happen and where, on the basis of the accused's credibility before a jury or a judge he was able to satisfy the court or jury that that was so, I doubt very much if a jury or judge would convict, or if there were a conviction whether the sentence would amount to much. By adding the words the hon. member seeks to add, he in effect imposes an additional burden of proof on the Crown which I feel would be impossible to satisfy.

Mr. Lewis: Mr. Chairman, I have just one word at this time. The minister said several times earlier, in reply to hon. member's questions, particularly the questions of the hon. member for Saskatoon-Biggar, that the meeting would be an FLQ meeting at which there would be discussion of the aims of the FLQ and the unlawful means that group intended to use. If that is the case, why is my hon. friend's amendment so difficult? Obviously the Crown will have to prove—I am using the minister's own words—not only that there was a meeting, but that there was a meeting of a certain kind at which they advocated violence toward certain political ends. So the Crown would have to prove presence at that meeting, as well as the nature of the meeting. If it proved the nature of the meeting and I was there, obviously I ought to have known that the purpose of the FLQ was violence and crime. Surely this is logical.

The minister simply cannot argue, as he did before, that this amendment places an impossible burden upon the Crown. It has to prove the nature of the meeting and, therefore, that the meeting dealt with the unlawful act or the advocacy of it. If it proves that and the person was there, then obviously that person knew or ought to have known about it. The value of the amendment is in relation to some young person who was roped into attending a meeting; the meeting did not discuss violence; the meeting or a number of meetings discussed separating Quebec from Canada, fighting the battle of the unemployed, helping the poor in east Montreal, or whatever. This student or other young Canadian sits in at that meeting and is attracted to the slogans. He returns and attends another meeting or meetings where exactly the same kind of thing is discussed. But present at this meeting—I will mention names everybody knows—are Vallières and Gagnon. The Crown will then say that Vallières and Gagnon were charged with such-and-such and that it was after this the young man attended those meetings.

It is that kind of situation with which my friend's amendment would deal. This young Canadian who was roped into attending such a meeting innocently, and who listened to the social objectives in which the FLQ claims to have an interest, not knowing of the criminal intentions which may have been in the minds of the people or some of the people who may have been there, should not be subject to conviction and should not be the victim under this law. I do not see where the burden on the Crown is so difficult under the elements of the amendment of the hon. member for Broadview.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, on the basis of the hypothetical situation adduced by the hon. member, the accused undoubtedly would escape on the basis of the general wording. What I say to him—I can say it to him because of his legal experience and the sharpness of his mind—is that the burden of proof sought to be added by the hon. member for Broadview would either be impossible to discharge in one circumstance or redundant in the other. That capsulizes the reply I have been trying to make.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, the minister is hanging his whole case on the fact that if a person attends an FLQ meeting, or a number of FLQ meetings, this means that person is familiar with the objectives and the means which the FLQ intends to use to attain those objectives. This does not necessarily follow at all. People have been attending Liberal meetings for years and still do not know the real purposes of the Liberal party.

Mr. Lewis: It is not an unlawful association.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, each one of us tends to speak from his own experience.

Mr. Douglas (Nanaimo-Cowichan-The Islands): That is right. I have been trying for a long time to find out what your program is.

[*Translation*]

Mr. Goyer: Mr. Chairman, to introduce such an amendment one has to be completely unaware of what terrorist movements are, the goals they seek and how they want to achieve them. In fact, the very essence of the FLQ, the MLQ or any other terrorist movement is their secrecy. Why? Because they seek to overthrow the government by violence.

Therefore, as the hon. member for Timiskaming (Mr. Peters) pointed out this afternoon, we are not dealing with a political party. There are no membership cards and no contributions. These movements do not hold conventions, but secret meetings where terrorism is discussed.

That is pretty well known in the province of Quebec. The record of the FLQ is not recent, for since 1963, its members would have committed about 100 bombings, armed robberies or arms thefts, and they would have caused train derailments.

For those who do not know what the FLQ is, simply by attending one meeting of that association they can figure out how far those guys are willing to go. They state publicly and openly that murders have to be committed.

Everyone knows that in the province of Quebec. Several public meetings, which were not necessarily FLQ meetings, took place. Known supporters of the FLQ were sometimes in attendance at these meetings, indirectly as guests, or because they thrust themselves on a group, meeting for apparently peaceful purposes, to state that political leaders have to be assassinated. If FLQ members now dare say in public that political assassination must be used, there is every reason to suppose in view of the bombings, the robberies, the train derailments, and so on that in more secret meetings these people do not talk about overthrowing the government by democratic, legitimate and peaceful means.

Therefore I think that one would have to be a little naive and ill-informed about life in Quebec to imagine that someone could not know that the FLQ, the MLQ or any other similar movement is not a revolutionary movement attempting to overthrow the government by violence.

• (10:20 p.m.)

[*English*]

Mr. Broadbent: I could not disagree more with the remarks that have just been made. Let me give a personal example of the point the hon. member for Nanaimo-Cowichan-The Islands was trying to make. About two weeks ago I was speaking in Toronto and ran into a student who had recently attended five meetings of a Maoist group. He did not find out until the fifth meeting that it was either a Maoist group or that it believed in violence. This is not a foolish young man. He happens to be a first or second year student who is concerned about poor people in the city of Toronto. He was taken in, if you like to put it that way, by someone he thought was a well meaning student, quite innocent of violent politics, who got him to come out to some study groups. The study groups met a number of times. No mention was made of violence or of Communism, but finally at the fifth meeting he discovered it was a Maoist group and immediately got out.

I think that is the point at issue, and it cannot be dismissed so readily. We are talking in this bill not only about the FLQ but about some successor, some related body, and it is indeed possible that well-meaning young people in the province of Quebec or elsewhere could attend a number of meetings without knowing about the real purposes of that organization.

The Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

The Deputy Chairman: The question is on the amendment proposed by the hon. member for Broadview.

Amendment (Mr. Gilbert) negatived: Yeas, 16; nays, 54.

The Deputy Chairman: I declare the amendment lost. Shall clause 8 carry?

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, because we are opposed to it, I rise simply to ask for a standing vote on clause 8.

Clause 8 agreed to: Yeas, 49; nays, 24.

The Deputy Chairman: I declare clause 8 carried. Pursuant to special order made earlier this sitting, it is my duty to rise, report progress and request leave to sit again at the next sitting of the House.

Progress reported.

The Acting Speaker (Mr. Laniel): Pursuant to the Special Order adopted earlier, this House stands adjourned until tomorrow at 2 p.m.

At 10.31 p.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Tuesday, November 17, 1970

The House met at 2 p.m.

[*Translation*]

THE LATE BERNARD PILON

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the House has just lost one of its most eminent members, Mr. Bernard Pilon, member for Chambly since 1962 and Whip of the government party.

The House of Commons is losing not only a member of great ability and exceptional devotion but also a man who had, through his warm humanity and his generous and sympathetic personality, won the respect and the friendship of all. I am sure, Mr. Speaker, that I speak for all hon. members, when I say that he will be sorely missed and that his sudden passing leaves a great void here.

To Mrs. Pilon, his family and his friends, I offer, in the name of all members of the House, our very sincere condolences.

Hon. Robert L. Stanfield (Leader of the Opposition): We have just learned, Mr. Speaker, of the untimely death of Mr. Pilon, member for Chambly and Whip of the Liberal party.

Mr. Pilon who was elected in 1962 has always been considered since, by all hon. members with whom he was acquainted, as a kindly man, who liked life and who could control his feelings and reactions. All of us, whatever our party affiliations, have always appreciated his sense of humour; we are all losing a friend.

[*English*]

Of Mr. Pilon, Sir, it can be truthfully said that he had the respect and admiration of all members of this House. He was a warm and affectionate man, and we will all hold fine memories of his work here.

[*Translation*]

To all his colleagues, to the members of his family as well as to his friends, I extend on behalf of my party, my sincere sympathy.

[*English*]

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I am sure all members in all parts of the House were saddened to learn only a few hours ago of the untimely death of Mr. Bernard Pilon, the member for Chambly. He entered the House in 1962, and it is a measure of the strength of his personality that he very soon became the whip of his party. In this very exacting post, one which, if occupied by a more abrasive personality, could cause a good deal of friction, Bernie, as he was commonly called, won the respect and the admiration of all with whom he came in contact. Those of us on this side of the House came to know him as a friendly, likeable and pleasant personality. We feel saddened today by his passing and we hope that you, Sir, on behalf of the members of this House will convey to Madame Pilon our deepest sympathy at the great loss which she and the members of her family have suffered in the passing of her husband.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, as all my colleagues in the House, I was shocked when I heard the news of the sudden death of Bernard Pilon at the age of 52.

Bernard Pilon was a friend of mine. I came to know him as soon as he was elected to the House in 1962. Since then he and I have been members of parliamentary delegations in Iran and India where I had the occasion to appreciate his superb qualities.

All will remember that Bernard was generous and amiable and that he was more of a humanitarian than a politician.

Mr. Speaker, Parliament has lost a dedicated servant. The electors of his Chambly riding have not only lost a public servant but a friend. As to the government, it is being deprived of one of the most remarkable members it has been our privilege to know.

And so on behalf of my colleagues and on my behalf, I wish to extend to Mrs. Pilon and the family our most sincere sympathy.

• (2:10 p.m.)

[*English*]

Mr. Thomas M. Bell (Saint John-Lancaster): As the counterpart on this side of the House may I say very briefly how saddened we are at the loss of our late colleague, the chief government whip, Bernard Pilon. It was an honour and privilege to be associated with him in the performance of his duties in the House which he discharged in a fair, unexcited and businesslike manner. I was also privileged to attend three international conferences along with Mr. Pilon as representatives of the Canadian Parliament, and one could not help but be impressed by his Canadianism as well as his great understanding of international affairs. Members in all corners of the House are saddened by this loss, and we extend to his widow and son our sincere condolences.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I would not want to presume in any way but I would like to direct a suggestion by way of a question to the Prime Minister. The universal sorrow of members of this House has never been poured out in more abundant

measure than today. While naturally Mr. Pilon would expect us to carry on, has any consideration been given to an adjournment for a period this afternoon in tribute to one who served all so well?

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker, some consideration was given to that. I am advised it has been a longstanding practice of the House that if the news of the death of a member of the House is received while the House is sitting the House then adjourns for the balance of that day. In this case the news was received before the House began today's sitting.

ROUTINE PROCEEDINGS

IMMIGRATION

TABLING OF REPORT ON APPLICANTS IN CANADA

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I wish to table under Standing Order 41(2) copies in both official languages of a Report on Applicants in Canada by Joseph Sedgwick, Q.C.

Mr. Paproski: I rise on a point of order, Mr. Speaker. I was hoping the minister would have made a statement after tabl ng such an important document as Mr. Sedgwick's report. After all, when a man works diligently for two years and comes up with a few reasonable recommendations, surely it is not enough just to throw the report on the table under Standing Order 41.

Mr. Lang: Mr. Speaker, I wish to speak on the point of order, simply for information. In this case Mr. Sedgwick was appointed in July to this task.

* * *

SUPPLEMENTARY ESTIMATES (A), 1970-71

A message from the Honourable Deputy to His Excellency the Governor General transmitting Supplementary Estimates (A) for the financial year ending March 31, 1971, was presented by Hon. C. M. Drury (President of the Treasury Board) and read by Mr. Speaker to the House.

REFERENCE TO STANDING COMMITTEE ON MISCELLANEOUS ESTIMATES

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, pursuant to Standing Order 59 I would like to move, seconded by Mr. Olson:

That, in accordance with the provisions of Standing Order 58(15), the Supplementary Estimates (A) for the year ending March 31, 1971, tabled in the House this day, be referred to the Standing Committee on Miscellaneous Estimates.

Motion agreed to.

[Mr. Diefenbaker.]

ORAL QUESTION PERIOD

TRADE

UNITED STATES PROTECTIONIST TRENDS—CANADIAN POSITION—CONSULTATIONS WITH EUROPEAN COMMON MARKET AUTHORITIES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Prime Minister in the absence of the Minister of Finance who has expressed concern about possible protectionist tendencies in the United States and the implications of this for Canada. Is it the position of the government of Canada that the protectionist trends in the United States are contrary to GATT or any other international convention, or is it the position of the government of Canada that what is contemplated there does not contravene any international agreement but would simply be against the interests of the development of world trade and in particular of Canada's world trade?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we will have to see how these policies develop in order to judge whether they will be contrary to the GATT or not. It is our belief that the United States will not develop policies contrary to the GATT, and of course we are expressing hope that they will not depart from the generally held belief in the benefits of multilateral trade. I had occasion to express this hope of the government of Canada to President Nixon when I first met him a year and a half ago.

Mr. Stanfield: In addition to Canadian ministers expressing concern and exhorting the United States not to proceed in this way, is the government of Canada contemplating any initiative of a concrete sort such as sponsoring or encouraging a conference of the principal trading nations of the world to consider the menace of rising protectionism and possible methods that might be adopted to avoid such rising protectionism?

Mr. Trudeau: In the area of specific measures, Mr. Speaker, next week Canada will be hosting a meeting at the ministerial level of the Canada-U.S. ministerial committee on economic and trade problems, and we will use this meeting to reiterate our firm belief in the benefits of multilateral trade. There are no other international meetings of a specific nature being considered at this time.

Mr. Stanfield: I appreciate that opportunities will be taken to present Canadian views to the United States but I am asking whether opportunities will be sought to broaden the discussions? In particular, I should like to know whether the government of Canada is consulting the European Common Market authorities at Brussels as it is well known that they share Canada's concern about possible protectionist developments in the United States? Have there been consultations with the Common Market authorities at Brussels with a view to developing common and more broadly based consultations with the United States?

Mr. Trudeau: When the Minister of Industry, Trade and Commerce visited Brussels a few weeks ago, Mr. Speaker, he not only expressed concern about the consequences of protectionism which might develop in the United States but also the concern felt by Canadians that protectionism might develop in the Common Market itself. In our discussions of the possible consequences of the entry of the United Kingdom into the Common Market we reiterated these concerns. So the speech by the Minister of Finance yesterday is part of the reiteration of these very serious concerns we have with the development of world trade by the formation of blocs, whether within Europe or within the United States. It is of great importance to Canada that multilateral trade continue to be viewed by the world trading nations as the best way to proceed. We have also had discussions along these lines in Australia and New Zealand and there have been return visits here by some of their officials. We are trying to impress these views upon the world trading nations.

Mr. Max Saltsman (Waterloo): I have a supplementary question for the Prime Minister, Mr. Speaker. In the event that the United States does not respond to the minister's call for trade liberalization, can the Prime Minister indicate whether his government is preparing a program that would enable industrial development to take place without continental integration?

Mr. Speaker: Order, please. I respectfully suggest to the hon. member that the question as asked is hypothetical. Perhaps the hon. member would like to rephrase his question.

Mr. Saltsman: I would like to rephrase it, Mr. Speaker. Is the Prime Minister preparing an alternative program in the event that the talks on trade liberalization are not successful?

Mr. Speaker: I would think that the hon. member's question as rephrased is still hypothetical.

Mr. Saltsman: Mr. Speaker, may I have a new supplementary question?

Mr. Speaker: This is the hon. member's last chance.

Mr. Saltsman: The Minister of Finance also referred to the need of a selective strategy as vital to our future development. Can the right hon. Prime Minister indicate if the government has such a selective strategy and, if so, when can he make it known to Parliament?

Mr. Trudeau: In due course, Mr. Speaker.

APPLICATION OF UNITED STATES LEGISLATION TO CANADA

Hon. George Hees (Prince Edward-Hastings): I have a supplementary question for the right hon. Prime Minister, Mr. Speaker. Has the government of Canada received assurances from the government of the United States with regard to the president's trade legislation known as HR. 18970 which is at present moving through Congress, which I know the Minister of Industry, Trade and Commerce has discussed with his counterpart in the United States and which contains very restrictive measure against imports into the United States, especially of manufactured goods? Have we received assurances that this legislation will not be applied against Canada?

Right Hon. P. E. Trudeau (Prime Minister): Not in that specific sense, Mr. Speaker. It would probably be impossible, or certainly undesirable, for the United States to give this specific assurance to Canada. As the hon. member knows, the United States is a member of GATT and it cannot undertake to discriminate either against or in favour of Canada and we do not expect this. Certainly we are not making any representations along that line. We are making representations at the official and industrial levels to ensure that this legislation is not adopted in a manner harmful to the principles of trade which I just enunciated in answer to the previous question. But we are not asking for discrimination in favour of Canada, if that is the hon. member's question.

Mr. Hees: A supplementary question, Mr. Speaker. Has the government received any assurances that this bill, which will be a very restrictive piece of legislation as far as this country is concerned, will not pass in its present form?

Mr. Trudeau: Mr. Speaker, I am not sure how the member would expect the government to have the assurance that the United States Congress will not pass this bill in a particular form. Of course, we cannot have that assurance from anyone except from Congress itself, and that will be known only when they debate and vote on the bill.

Mr. David Anderson (Esquimalt-Saanich): In light of Canadian concern over trade restrictions in the United States and other countries and in keeping with the principle of removing the beam from one's own eye before trying to remove the mote from someone else's, would the Prime Minister indicate whether he intends to ask the Minister of Finance to remove government order 36 from the order paper as in this motion the government is attempting to protect the Canadian shirt industry in much the same way as other countries are attempting to introduce protection?

Some hon. Members: Oh, oh!

CANADA-UNITED STATES MINISTERIAL MEETING— ITEMS ON AGENDA

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Prime Minister about the Canada-United States ministerial meeting on economic and trade matters which is to be held in Ottawa next week. Will he tell us what items will be on the agenda and what ministers will be representing the Canadian government at those talks?

Inquiries of the Ministry

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am afraid I do not know. I will ask the Minister of Finance or, hopefully, his Parliamentary Secretary to provide that information when the question is next asked.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Since both the Minister of Finance and the Minister of Energy, Mines and Resources according to the roster ought to be here today but are not present, may I ask the Prime Minister whether he knows if the export of energy resources is to be included in the talks? If so, will the Prime Minister undertake to see that the responsible minister makes a statement to the House either before the talks or after indicating what Canadian policy actually is with respect to the utilization of energy resources?

Mr. Trudeau: Mr. Speaker, the Minister of Finance is addressing the Chamber of Commerce in British Columbia and the Minister of Energy, Mines and Resources is in Alberta meeting with Premier Strom and representatives of the oil industry. When they come back I will ask them to consider the hon. member's suggestion.

* * *

[*Translation*]

NATIONAL PARKS

ESTABLISHMENT OF FACILITIES BETWEEN BLACK LAKE AND THETFORD

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the minister in charge of national parks.

Is the government about to sign an agreement with the provincial authorities on establishing a national park between Black Lake and Thetford Mines, as the minister promised during the recent byelection campaign?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, that is certainly not due to such a suggestion on my part, as there is no possibility of establishing a national park there. It is only that the people of Thetford realized they were getting nowhere with Social Credit.

* * *

[*English*]

AUDITOR GENERAL

EFFECT OF NEW LEGISLATION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I ask the President of the Treasury Board if the proposals contained in Bill C-190 reflect the view of the government, as indicated during the preceding session, that a different type of person with greatly curtailed powers is required for the office of Auditor General?

Mr. Speaker: Order, please. I have some doubt whether the question as asked is in order. The hon. member, if I understood his question correctly, is asking whether a bill that has been proposed to the House reflects the views of the government. I doubt whether a question of this kind is in order. I would think that the question might be in order when the bill is before the House for consideration. At present we are initiating discussion on an order which is on the order paper, and I would not think that the question is procedurally correct.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

Mr. Baldwin: Mr. Speaker, may I put the question in a general way which may find favour with Your Honour. Does the minister not agree that it is just as dangerous to curtail the powers of the Auditor General as it is to send a lion tamer into a cage of hungry lions with his hands tied behind his back?

Mr. Speaker: Order, please. I think that the supplementary also implies difficulty. The hon. member might wish to reserve this argument until the bill is before the House for consideration.

* * *

NATIONAL DEFENCE

PAYMENT OF EXTRAORDINARY EXPENSES IN ASSISTING CIVIL POWER—TABLING OF WHITE PAPER

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Can the minister assure the House that any extraordinary expenses which may be charged to the Department of National Defence arising from the rendering of assistance to a civil power will not come from the frozen budget of the department but will be provided by some other means?

Hon. Donald S. Macdonald (Minister of National Defence): I wish to thank the hon. member for giving me notice of this question. I think I can fairly confidently give him that assurance because otherwise there would not be funds available. In effect we would have to seek any additional funds that may be necessary to pay these costs beyond the budget which has already been set.

Mr. MacLean: I have a related question which I hope Your Honour will accept as being supplementary. Will the tabling of the white paper on defence be delayed beyond the date of early 1971 suggested by the minister in order to give reconsideration to the implications for the defence forces of the present situation and possible recurrences of similar situations in the future?

Mr. Macdonald (Rosedale): I do not expect it will have to be delayed for that reason. An analysis is now under way as to the implications for force levels of the operation which at the present time is gradually being withdrawn, but I would not think that would delay the tabling of the white paper.

Hon. Robert L. Stanfield (Leader of the Opposition): I wish to direct a supplementary question to the President of the Treasury Board who today tabled the supplemen-

tary estimates. Can the minister indicate what item in the supplementary estimates includes this additional expenditure?

Hon. C. M. Drury (President of the Treasury Board): In relation to the discussion which has just taken place, there is no item in supplementary estimates (A) to cover this.

* * *

GRAIN

PRESENCE OF RUSTY BEETLE IN WHEAT SHIPMENTS—PAYMENT OF COST OF DAMAGE

Right Hon. J. G. Diefenbaker (Prince Albert): My question is for the Minister of Agriculture. Having regard to the strong message that was given to the government yesterday by Manitoba and western Canada and in particular with reference to the beetle damage to wheat, is the government reconsidering the minister's suggestion that at least part of the cost of the damage caused by the beetles should be paid by the farmers? Does he intend to put payment of the cost in the proper place by making the government of Canada responsible for its own negligence?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the government is not negligent in any way, shape or form with respect to the infestation of rusty beetles in wheat. If the right hon. member will phrase his question in a more precise way so that it is capable of receiving an answer, I will be happy to answer it. What I said the other day is still valid. We are attempting to ascertain the location of all or most of this infested wheat. With respect to any portion that is in the bins on the farmer's farm, I said that the farmer is responsible for the management of that grain. The right hon. member has never separated his question so that it is capable of an answer in that respect.

Mr. Diefenbaker: A supplementary question.

Mr. Speaker: Order. I will recognize the right hon. member in a moment, but I do not think we should enter into a debate during the question period.

Mr. Diefenbaker: I will make my question simple enough so that even the intelligence of the Minister of Agriculture will make possible an answer. Is the minister going to hook the western farmer for the cost of any portion of clearing up the beetle situation?

Mr. Olson: Mr. Speaker, we are not going to hook the western farmer for anything.

Mr. J. H. Horner (Crowfoot): I have a supplementary question for the Minister of Agriculture arising from the same message delivered yesterday by western Canada. Is the minister now prepared to withdraw Bill C-176, the marketing bill?

Mr. Olson: No, Mr. Speaker. The indication I have from all governments in western Canada is that this is a desirable bill.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. My impression was that the by-election was finished but it seems that it is continuing today.

Mr. S. J. Korchinski (Mackenzie): I have a supplementary question for the Minister of Agriculture. In view of the fact that Commissioner Shuttleworth indicated this morning at a meeting of the Standing Committee on Agriculture that once the grain has been purchased it is then the responsibility of the purchaser of the grain, is the government now prepared to assume its responsibility and pay for the damage that has been done because of negligence in the inspection?

Mr. Olson: Mr. Speaker, there has been no negligence in inspection on the part of the government.

Mr. Diefenbaker: How then did the infected wheat get to Poland and Russia?

Mr. Speaker: Order. I realize hon. members want to ask supplementary questions, but we must get on.

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CANADIAN BROADCASTING CORPORATION

REPORTED STATEMENT BY MINISTER OF REGIONAL ECONOMIC EXPANSION ALLEGING FLQ CONTROL

Mr. David Lewis (York South): I wish to address a question to the Prime Minister arising out of a newspaper report concerning a speech made by the Minister of Regional Economic Expansion at St. Jerome on Sunday in which the minister is alleged to have said that the FLQ have also controlled the CBC. Is the Prime Minister aware of such a statement having been made by that minister and, if so, does he approve of it?

Right Hon. P. E. Trudeau (Prime Minister): The answer to the first question is no, Mr. Speaker. Therefore the second question is not relevant. I will have to see the speech and discuss it with the minister.

Mr. Lewis: Will the Prime Minister assure the House that he will make an inquiry not only into the speech made by the minister but also his statement, if he made that statement? If the minister did make that statement, will the Prime Minister explain to the House why no inquiry has been made into FLQ control of the CBC, if the minister is correct?

Mr. Speaker: Order, please. The first question is a suggestion to the Prime Minister, and I suggest to the hon. member that the second question is hypothetical.

Mr. Lewis: May I rephrase the question and ask whether the Prime Minister will undertake to inquire as to what the Minister of Regional Economic Expansion said on the subject of FLQ control of the CBC and inform the House of the results of his inquiry?

Inquiries of the Ministry

Mr. Trudeau: Mr. Speaker, I will inform myself of the statement made by the minister and then decide if any action is necessary as a result of what he said.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

WAR MEASURES ACT—TAPING OF STATEMENT BY MICHEL CHARTRAND WHILE IN JAIL

Mr. Roland Godin (Portneuf): Mr. Speaker, I should like to put a question to the Prime Minister.

Can he tell us how Michel Chartrand, now detained under the War Measures Act, was able to make a tape-recording of a statement and get it out of prison?

Right Hon. P. E. Trudeau (Prime Minister): I am sorry, Mr. Speaker, but I cannot do justice to the hon. member because I did not quite understand his question. I am willing to read it in *Hansard* and see if I can answer it.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

INVITATION TO VICE-PRESIDENT TO EXPLAIN OPERATIONS TO LIBERAL CAUCUS COMMITTEE

Mr. William Skoreyko (Edmonton East): I wish to ask the Prime Minister whether he authorized an invitation sent to Mr. Picard, Vice-President of the CBC, to appear before the Liberal caucus committee on communications to explain the inner workings of the CBC to that group only?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did not approve such an invitation because I had no knowledge of it. However, I know that our caucus committees, and I hope the caucus committees of the opposition parties, take advantage of every opportunity to get information from experts by asking them to help them in the understanding of problems.

Mr. Skoreyko: If such a move is approved, will the Prime Minister consider having Mr. Picard appear before the Standing Committee on Broadcasting, Films and Assistance to the Arts so that all members can become familiar with the inner workings of the CBC?

Mr. Trudeau: Mr. Speaker, Mr. Picard does not have to ask permission from me when he is invited to address any particular group of Canadians. He decides whether he will accept the invitation or not. In this case, I repeat, I am not aware of the invitation or of the response. As to whether he will address the broadcasting committee it is, of course, for the broadcasting committee itself to decide whether or not it wishes to invite him. If it does, I am sure Mr. Picard will be glad to attend.

[Mr. Lewis.]

[*Later:*]

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is directed to the Prime Minister and is supplementary to the one asked by the hon. member for Edmonton East. Is it government policy that executives of Crown corporations be free to accept or to decline invitations to attend non-public meetings of political parties?

Mr. Trudeau: I do not believe there is any stated policy in this regard, Mr. Speaker. It seems to me that the question of whether they can accept such invitations and participate in a non-partisan way is a matter to be left to the discretion of those people. I should think they would welcome the opportunity if they were invited by members of one party. I am sure they would welcome the occasion to accept an invitation if it was extended by members of any other party.

* * *

NATIONAL SECURITY

STATEMENT BY MINISTER OF REGIONAL ECONOMIC EXPANSION ON FLQ ACTIVITIES—INTERPRETATION OF WAR MEASURES ACT REGULATIONS

Hon. Marcel Lambert (Edmonton West): My question is directed to the Prime Minister and it relates to some of the questions which were asked earlier. In light of the statement made yesterday by the Minister of Regional Economic Expansion that those people who have in the past expressed support for even some of the aims of the FLQ were in fact supporting the FLQ and its actions, has the government decided to suggest to the government of Quebec how it should interpret the War Measures Act and, if so, does the government feel that such persons as the president and other members of FRAP should be charged under the War Measures Act regulations?

Right Hon. P. E. Trudeau (Prime Minister): The question appears rhetorical to me. I am sure the minister was not suggesting that the government should press charges against one person or another. If the minister has an information to lay, I am sure he will know how to do it.

* * *

HOUSE OF COMMONS

COMMISSION ON MEMBERS' AMENITIES—INQUIRY AS TO REPORT

Mr. Frank Howard (Skeena): I have a question for the Prime Minister. Can he tell the House when he expects to receive the report of the commission under the chairmanship of Mr. Beaupré which has been examining the amenities available to Members of Parliament? If the report has been received, can the Prime Minister tell us when it will be tabled in the House?

Right Hon. P. E. Trudeau (Prime Minister): I have not yet received the report. I understand the work is well advanced; I believe it is the usual question of preparing a translation in final form. I expect it fairly soon but I have no knowledge of the exact date.

* * *

AGRICULTURE

ESTABLISHMENT OF FUR FARM RESEARCH CENTRE

Mr. P. V. Noble (Grey-Simcoe): May I ask the Minister of Agriculture whether he is now in a position to answer the question I put to him on October 29 when I inquired whether any progress has been made in establishing a fur farm research centre in the vicinity of Ottawa and, if so, what is the target date for the completion of this project?

Hon. H. A. Olson (Minister of Agriculture): I will be happy to answer the question briefly. Plans are firm to develop a fur farm research centre as a component of the National Research Institute but the target date for completion of the required facilities is not firm. Meanwhile support is continuing through extramural research contract grants to universities.

* * *

POLLUTION

ESTABLISHMENT OF CONTROL STANDARDS FOR PULP MILLS

Mr. G. H. Aiken (Parry Sound-Muskoka): I have a question for the Minister of Fisheries and Forestry. Has the government yet established pollution control standards for pulp mills as he announced he would do some time in October?

Hon. Jack Davis (Minister of Fisheries and Forestry): We have prepared draft regulations and they have been discussed with several of the provinces; they have yet to be discussed with other provinces and they have still to be checked with the industry itself. I hope they are out before the end of the year.

COME-BY-CHANCE OIL REFINERY—PROTECTION OF MARINE LIFE

Mr. Walter C. Carter (St. John's West): I have a supplementary question which concerns the proposed establishment of an oil refinery at Come-By-Chance, Newfoundland. Will the minister give the House an assurance that all necessary steps will be taken by his department to protect marine life in the area from the danger of pollution?

Hon. Jack Davis (Minister of Fisheries and Forestry): We are keeping a close eye on this development.

Inquiries of the Ministry

NORTHERN AFFAIRS

EFFECT OF GAS WELL BLOW-OUT ON PANARCTIC DRILLING PROGRAM AND ECOLOGY

Mr. Eldon M. Woolliams (Calgary North): May I direct a question to the Minister of Indian Affairs and Northern Development arising from an answer, recorded on page 1144 of *Hansard,* in response to a question about the drilling of a well on King Christian Island? Can the minister tell us whether this well, which went out of control, has now been brought under control, and whether any ecological damage has been caused?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the blowout of the well in question is not under control and according to the latest information, it will be impossible to put the fire out before six or eight weeks. Moreover, I can tell the House that I am informed that the damages do not extend beyond a distance of 500 feet from the drilling point.

[*English*]

Mr. Woolliams: As I understand the minister's answer today and the answer he gave on Friday, two people were fired because, as alleged by the minister, the drilling company, or Panarctic in control of the drilling company, went beyond 1,800 feet contrary to the instructions of the minister. Are those the facts?

[*Translation*]

Mr. Chrétien: Mr. Speaker, according to the information I have received, the drilling continued beyond the 1,800 foot limit. The president of Panarctic Oils Limited told me that the two representatives of the company on the spot have been fired.

[*English*]

Mr. Woolliams: May I ask one more supplementary? Would the minister tell the House who authorized the firing of the two men? Was it Panarctic, the drilling company or the minister?

[*Translation*]

Mr. Chrétien: Mr. Speaker, it was Panarctic Oils Limited that took this responsibility towards its own employees.

[*English*]

SUPERVISION OF OIL EXPLORATION OPERATIONS BY GOVERNMENT INSPECTORS

Mr. T. S. Barnett (Comox-Alberni): I have a supplementary for the minister on this subject. Was any government inspector on the site while this drilling was going on and, if not, will the minister assure us that in future operations of this kind government inspectors will be present to ensure that the ecology is not unnecessarily endangered by oil exploration operations?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am unable to

answer directly to this question. According to the terms and conditions of permits delivered to the companies involved, the latter must abide by the department's written conditions.

As to sending a government's representative in the field, we are in the process of reviewing the regulations on drilling in the North and we might take into consideration the hon. member's suggestion.

Normally, regulations should force companies to act and the latter should be responsible enough to abide by them.

* * *

[*English*]

AIR CANADA

CANCELLATION OF CHARTER FLIGHT CONTRACT WITH UNITOURS (CANADA) LIMITED

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport. In view of a report that Air Canada has cancelled a contract it had made with Unitours (Canada) Limited for 15 chartered flights to Cuba, the first of which was to have left tomorrow, can the minister say whether this action was taken by Air Canada on its own initiative or whether any government pressure was applied?

Hon. Donald C. Jamieson (Minister of Transport): I can assure the hon. member that it certainly was not taken on my initiative. As far as I am aware there were no discussions with anyone in government, but I should like to reserve final comment until I have had an opportunity to check.

* * *

INDIAN AFFAIRS

ESKASONI RESERVE—ADDITIONAL FUNDS FOR HOUSING

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. In view of the fact that all moneys available for new housing and repairs at the Eskasoni Indian reservation are depleted, and since some of the people on this reserve are crowded, nine or ten, in run-down, three-room shacks, would the minister do his utmost to allocate further funds immediately at least to pay for emergency repairs? I apologize for not having given the minister notice of this question, but I hope he will give the matter serious consideration.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I can assure the hon. member that I will inquire immediately to find out if there is an emergency situation in Eskasoni and, if necessary, we will take the necessary measures to remedy it.

LONG GRASS PEOPLE—ACTION TO PREVENT WINTER HARDSHIP

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I would like to answer a question which was asked me yesterday by the hon. member for Prince George-Peace River about the Long Grass people who live on the shores of Lake Williston.

We know that the situation there is quite serious. We have offered to evacuate the Indians involved since the flood occurred, and while we have had four meetings with them, they refuse to leave because they are happy to live in the present conditions.

This year and last year, sums of money were allocated to the construction of houses elsewhere, but the Indians stated that they were still not ready to live in them and that they would advise us when they would be ready to do so. As we do not want to force a bureaucratic decision on the Indians, we await their answer.

[*English*]

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder if I might ask the Minister of Indian Affairs and Northern Development whether he would be prepared to refer this subject matter to the Standing Committee on Indian Affairs and Northern Development so it could make a thorough inquiry into the attitude of the native Indian people who want to remain in their homes? If the minister is prepared to do so we would commit ourselves not to take up the time of the House by debating the matter.

Mr. Chrétien: Mr. Speaker, I would have no personal objection to that suggestion because I have been informed that the Indians have been consulted four times so far. I have asked my people to be there before the end of the month. It would be a good idea to have both sides studied by a committee of the House and I have no personal objection to this.

Mr. Howard (Skeena): I have a supplementary question.

Mr. Speaker: Order, please. Hon. members will appreciate that we are quickly reaching the end of the question period. I think we should limit the number of supplementary questions. Perhaps we should hear briefly from the hon. member for Skeena and the hon. member for Peace River and then go on immediately to a new subject.

Mr. Howard (Skeena): Mr. Speaker, just briefly I want to ask the minister whether he might be prepared to do this tomorrow. I am sure he would get unanimous consent to waive the 48 hours notice if he desired to do so.

Mr. G. W. Baldwin (Peace River): In approving that, Mr. Speaker, might I also ask the minister, who is sitting with the chairman of the committee, whether or not the committee might look at the question of ecological damage to the Peace-Athabasca delta and also the situation posed by the report of the special task force which looked into the situation surrounding the Mackenzie delta?

Mr. Speaker: Order, please. Both questions are suggestions for consideration by the minister.

FISHERIES

SUGGESTED CLOSING OF EAST COAST PORTS TO FOREIGN FLEETS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Minister of Fisheries and Forestry. Has he received and is he entertaining a request to close east coast Canadian ports to foreign fishing fleets?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, I have received several suggestions to that effect but we are not going to act on them in any way whatsoever.

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POST OFFICE

RESTORATION OF MAIL DELIVERY SIX DAYS A WEEK

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to direct my question to the minister responsible for the Post Office. Now that he has had the opportunity to discover and look at the slippage that has occurred in the service rendered to the Canadian people by the Post Office, is the minister considering the restoration of the six day a week delivery of mail?

Hon. Jean-Pierre Côté (Minister without Portfolio): Not for the moment, Mr. Speaker.

Mr. Hales: When the minister is considering this matter, if he cannot see his way clear to giving six day a week delivery would he consider at least a six day a week wicket service in all Post Offices?

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AIRPORTS

TORONTO—PROTECTION AGAINST LAND SPECULATION

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the arguments used regarding the choice of the Montreal airport site at Ste.-Scholastique and the fact that we were protected against speculation, has the minister given any consideration to the special protection which may be necessary if the location of the new airport near Toronto is reviewed with the Ontario cabinet? I understand three sites will be discussed and there may be some opportunity for land speculation.

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker. I have said repeatedly that, first of all, the government wants to have maximum consultation regarding the sites relating to the new airport in the Toronto region, but that the limitation on that consultation and the extent of it involves the issue of whether or not adequate protection against land speculation can be achieved. With a view to determining that question I propose to meet later this week with the Premier of Ontario with the idea of perhaps working out appropriate mechanism through which we can protect against land speculation and then move on to the second point, public participation in discussion.

Mr. Speaker: I recognize the hon. member for Ontario.

Mr. Cafik: I am sorry, Mr. Speaker, I was not rising to ask a question as I usually do, but I appreciate your recognition anyway.

PROVISION OF RAPID TRANSIT GROUND FACILITIES

Mr. J. H. Horner (Crowfoot): Mr. Speaker, my question is a supplementary directed to the Minister of Transport. In light of the recent statement of the former Minister of Transport, now the President of the Canadian Transport Commission, that the greatest difficulty with air travel today involves ground transportation for passengers to and from the airports, is the government now prepared to take an active interest in and support rapid transit facilities in our major cities?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, it is not just now prepared to do that; the government has been in close consultation with many major cities and I can think of three, namely, Montreal, Toronto and Winnipeg. There has been a considerable amount of discussion on this subject for some time.

Mr. Horner: I have another supplementary question, Mr. Speaker, which deals with the situation in Vancouver. Has the British Columbia government contacted the Minister of Transport asking whether this government will contribute 37½ per cent of the cost of constructing a rapid transit system to and from Vancouver airport?

Mr. Jamieson: That was not exactly the nature of the representations, Mr. Speaker. They did not involve the airport but rather a request for federal participation in a general form of rapid transit within the Vancouver area. This is being examined but no reply has been made as yet.

Mr. Horner: I have a supplementary.

Mr. Speaker: Order, please. The question period has just about expired, in fact it is actually three o'clock now. Perhaps I should allow the hon. member for Fraser Valley West to ask a supplementary question and then we will call orders of the day. I apologize to hon. members who have not had an opportunity to ask their questions.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I have a supplementary question to the Minister of Transport. In view of the discussions on this question, could the minister advise the House why in his consideration of rapid transit systems to and from airports in major cities there has been no provision for rapid transit facilities in respect of the new bridge to serve Vancouver airport?

Mr. Jamieson: For the simple reason, Mr. Speaker, that a number of authorities on the matter, excluding the authority of hon. gentleman opposite, do not believe this is the best way to proceed on this question. That is why a full and detailed study is being undertaken.

Mr. Speaker: Perhaps hon. members will allow the Chair to recognize the hon. member for Frontenac-Lennox and Addington. He has been trying to ask a question for a few days.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT—ASSISTANCE FOR WINTER WORKS IN RURAL MUNICIPALITIES

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the right hon. Prime Minister. During the coming winter months will the government provide assistance to certain types of winter works in rural municipalities where high unemployment conditions exist?

Mr. Speaker: Order, please. It is my impression that this question has been asked on a number of occasions during the last few days. Orders of the day.

Mr. Woolliams: Before you call orders of the day, Mr. Speaker, I wonder if I might rise on a point of order. In view of the fact that the Minister of Justice has seen all the proposed amendments to Bill C-181, would he advise the House whether he intends to agree to any of them? If he does not intend to do so, it seems to me we are taking a lot of time on something that is just not going to be successful.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair will allow the minister to reply but it seems to me that we are jumping ahead. This is a question which might be asked when we go into Committee of the Whole. However, the minister might be allowed to reply briefly to the member's point of order.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think the debate has been very useful. I should not like to trespass on the time of the House by declaring my position before we get to the individual clauses.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

PUBLIC ORDER (TEMPORARY MEASURES) ACT, 1970

PROVISION OF EMERGENCY POWERS FOR PRESERVATION OF PUBLIC ORDER

The House resumed from Monday, November 16, consideration in committee of Bill C-181, to provide temporary emergency powers for the preservation of public order in Canada—Mr. Turner (Ottawa-Carleton)—Mr. Honey in the chair.

The Chairman: Order. May I have order in the committee please? If hon. members wish to hold discussions, I wonder if they would move outside so that we may proceed. When the committee rose last evening clause 8 of the bill had been agreed to. The committee is now considering clause 9.

[Mr. Jamieson.]

On clause 9—*Arrest without warrant.*

Mr. Lewis: Mr. Chairman, without taking very much of the time of the committee, I wish to move an amendment to clause 9(1)(a) and a similar amendment to clause 9(1)(c) of Bill C-181. I could do this separately or place both amendments in your hands, Mr. Chairman, and you could put them before the committee as you see fit. I move:

That clause 9(1)(a) of Bill C-181 be amended by deleting the word "reason" in line 3 on page 6 thereof and substituting therefor the words "reasonable and probable grounds."

I also move a similar amendment to clause 9(1)(c) as follows:

That clause 9(1)(c) of Bill C-181 be amended by deleting the word "reason" in line 8 on page 6 thereof and substituting therefore the words "reasonable and probable grounds."

The Chairman: Order. The amendments presented by the hon. member for York South deal with clause 9 and, in particular, two subclauses thereof. Unless there should be representation to the contrary, it would seem to the Chair that we might deal with these amendments together.

Mr. Lewis: Mr. Chairman, I do not require much time in which to support the amendments I have respectfully moved. I am sure the minister is perhaps even better aware of the difference I am seeking to introduce. I say that whatever may have been the situation on October 16, at this stage the police ought not to have the power to go around arresting people on mere suspicion, without reasonable and probable grounds for that suspicion. I merely draw the attention of the minister and of the committee to a simple fact that everyone knows. If my arithmetic is correct, something like 85 per cent of the persons arrested under the regulation under the War Measures Act were released without charge and less than 10 per cent have been charged to date, unless there is later information. In addition, some others are still being kept in custody.

I suggest that at this stage of the game there is no excuse for varying the usual provisions of our criminal law. You will note, Mr. Chairman, that I am not suggesting the provision that the officer may arrest without warrant be changed. It is precisely because he may arrest without warrant that I believe it is important for the law to contain the kind of language with which a peace officer is acquainted, and which will make him look much more carefully at the situation before he goes around putting people in jail, even for seven days. A person ought not be put in jail without charge unless the police officer has probable and reasonable grounds for suspecting that such a person is a member of the unlawful association or that he has committed, is committing or is about to commit an act described in the earlier clauses of the bill. I do not think this restriction would interfere with his police work.

What this really does in practical terms is put the peace officer on guard. He will know that if he goes around arresting someone without reasonable and probable grounds, that person may go into court at some later

date and charge the policeman or police organization, whatever it may be, with false arrest and seek a remedy against such false arrest. I submit that at this stage of the situation in the province of Quebec this added protection for people who might be arrested ought to be in the bill.

In conclusion, I want to say I do not think this would reduce the peace officer's power in any reasonable way. He would still be able to arrest without warrant, but instead of being able to arrest on a subjective conclusion of his own that he has reason to suspect, he would have to have an objective reason for it. He would have to analyse the situation and have some prima facie evidence that would lead him and that would lead a court or any reasonable tribunal to conclude that the arrest was made on probable and reasonable grounds. That is the only distinction. I suggest it is a very important distinction in order to avoid the situation we have had, where 440 or so people were arrested and 390 of them released without being charged. This means that 85 per cent or 90 per cent of these people, or at least most of them, obviously were arrested without probable or reasonable grounds for the suspicion the police officer had. This has been done within recent weeks, particularly during the critical situation that was said to exist on October 16. The committee knows my view concerning what the situation really was, but the critical situation was said to exist on October 16. It is important that from now on the police forces in Quebec, acting under this law whenever it comes into effect, have probable and reasonable grounds for arresting someone under suspicion for the acts dealt with in clause 9 of the bill.

Mr. McCleave: Mr. Chairman, I shall be very brief. When the minister replies I wonder whether he would also give us the up-to-date figures on arrests and releases. I believe a daily box score is kept on these activities now. May I also say that on the face of the argument of the hon. member for York South I do not think I can support his amendment. If the minister does not put his foot in his mouth, I think I shall stick to that position. However, I will be interested in hearing the minister's views on the argument advanced.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I think the hon. member has set for me an impossible task. I will try my best to avoid doing that. First of all, the hon. member for Halifax-East Hants asked for the recent figures. I have them as of ten o'clock this morning for the benefit of the committee. The number arrested is 450. The number released is 397. The number detained is 53. One was re-arrested, 43 were charged and one was sentenced.

• (3:10 p.m.)

Francois Mercier was sentenced, as I understand.

Mr. Lewis: He pleaded guilty, if I remember correctly.

Mr. Turner (Ottawa-Carleton): Yes, Mr. Chairman.

The amendment proposed by the hon. member for York South would change subclause 3 as follows, if I seize the purport of his amendment. It would read: "a peace officer may arrest without warrant a person who he has reasonable and probable grounds to suspect is a member of the unlawful association". I want to say to him that the words we chose, namely the words "reason to suspect" were deliberately chosen. As I pointed out in my speech on second reading, particularly as recorded at page 883 of *Hansard*, clause 9 is a special measure which the government recognizes does not exist in the ordinary criminal law.

We are dealing with specific short term legislation to meet a specific purpose, namely to attempt to immobilize and render inefficient the FLQ. The requirement "to have reason to suspect" is less stringent than that contained in the Criminal Code which requires the existence of reasonable and probable grounds to believe that an indictable offence has been committed. I refer hon. members to section 435(a) of the Criminal Code. The amendment does not remove the word "suspect" in clause 9(1)(a), and I assume this was done deliberately. However, by doing it deliberately, the hon. member leaves us with a hybrid concept, neither "reason to suspect" nor "reasonable and probable grounds to believe", but "reasonable and probable grounds to suspect", I believe this would confuse the case law even more than it may be confused already as to what the words "reasonable and probable grounds" may mean.

In any event, the amendment is obviously designed to make the condition precedent to lawful arrest more stringent, and in the present circumstances the government does not favour that. We are of the view that the requirement "reason to suspect" is both necessary and reasonable in the circumstances. It is the equivalent of the requirement prescribed in the statutes, principally with regard to matters of national security. I refer to the Official Secrets Act. Section 10 of the act provides:

> Every person who is found committing an offence under this Act, or who is reasonably suspected of having committed, or having attempted to commit, or being about to commit, such an offence, may be arrested without a warrant and detained by any constable or police officer.

I want to submit to the committee that hon. members should not be under any apprehension that the words "reason to suspect" means that a person can be arrested without grounds. In order to satisfy the requirement in clause 9 (1) (a) as it is now written, there must be a bona fide reason to suspect that a person is a member of the illegal or unlawful association. In the absence of any bona fide reason to suspect, the provision would not apply. In other words, because of the nature of the conspiracy, because of the difficulty of obtaining evidence, because of the clandestine nature of the conspiracy, we feel that the standard imposed on a peace officer to arrest should be lowered as it is under the Official Secrets Act from "reasonable and probable grounds to believe" to "reason to suspect". For this reason, we prefer to use the concept of reason and suspect rather than the hybrid concept which the hon. member has used

which is halfway between "reasonable and probable grounds to believe" and "reason to suspect".

I really do not know what the hon. member's words would achieve. In effect, if the clause were amended as he suggests the provision would be more stringent upon the police than it is in the bill, but we believe that in the circumstances we need those words.

Mr. Lewis: Mr. Chairman, the main purpose I am trying to achieve—and I had hoped the minister might look upon it a little more reasonably than he seems to do—is to remove from the police the temptation to wholesale arrest, as has happened since October 16. I do not see how any Member of Parliament or how the Minister of Justice can look with equanimity at a situation where 450 people are arrested, all of them held in jail and 397 of them released without charge after being in jail for six days, 10 days, 12 days or 21 days. I do not understand how anyone in Canada can look with equanimity at a situation where 90 per cent of the persons arrested are released without charge after being kept in jail, sometimes incommunicado.

I submit that all I am trying to achieve is to let the police know that they must have reasonable and probable grounds even for suspicion, even if it is something less than belief. To say that they must have reasonable and probable grounds for believing would be too much in the present instance, and on that I agree with the minister. However, their suspicion must be based on some reasonable ground. I am not a police officer nor am I an intelligence officer so I cannot tell you what the grounds might be, but as a layman I can see a situation where an officer may have interviewed the 450 people who have been arrested—it may be 460 before the bill becomes law—and as a result of his conversations he has reasonable ground to believe that X or Y was or is a member of the FLQ. This would be reasonable or probable ground for that suspicion. I want to prevent the continuation of the situation which I think is scandalous and unforgivable. It is a kind of excessive zeal on the part of the police which a democratic society should not tolerate.

Perhaps there is an indication of incompetence when 450 people are arrested, with all the consequences that flow from arrest, not only being kept in jail incommunicado but being under the cloud of having been arrested in connection with the FLQ and then released. As I said the other day, I have met some of them. They told me they cannot explain to their children why they were in jail. To my knowledge, two of them lost their jobs. Arrest has consequences; it is not a picnic, it is not a tea party, and when 400 out of 450 people are arrested apparently without grounds because they were released without charge, then I think the situation is very serious. The purpose of my amendment is not so much to affect the end result in the court—one can never foretell that—but to achieve a desirable influence on the police so that they would be less likely to go around picking up anyone about whom they may have a suspicion.

[Mr. Turner (Ottawa-Carleton).]

I say to the minister that I am quite ready to suggest to him that I drop the adjective "probable" and leave the words "reasonable grounds". In my submission, the difference between saying that the fellow has reason to suspect and saying he has reasonable grounds to suspect is quite obvious. In the one case it is a subjective reaction. I have reason to suspect, so I make an arrest. In the other case it is an objective test that there has to be a ground for his suspicion that can be looked at objectively by anyone, including a tribunal. The reason for the amendment is to stop the wholesale, scandalous, excessive, incompetent type of arrest which obviously has taken place since October 16.

• (3:20 p.m.)

I repeat that I, as one Canadian, as one member of this parliament, simply cannot tolerate the arrest of 450 people, 400 of whom are released after some days in jail without any charge against them. These people have to carry all the consequences of having been arrested, having been associated with the FLQ when obviously they were not or they would have been charged. They have had to undergo the shame, the humiliation, the inconvenience and the discomfiture of having been jailbirds for six, eight, ten or 21 days without any charge, and without any grounds for their arrest.

If you had the qualification which I suggest should be placed in the bill, then the police officers would be a great deal more careful. They would follow not quite the procedure they follow in ordinary crime because they don't have to believe that a person may be guilty, they have only to suspect he may be, but they would be put on guard that they must have reasonable or probable grounds for that suspicion or else face the possibility later of being dragged into court on a civil suit for damages for false arrest.

Mr. MacDonald (Egmont): I think the hon. member for York South has focussed on the prime objection to clause 9(1)(a). I find the explanation given by the minister to be extremely weak and without the kind of justification that should have been forthcoming for what he has described as a most stringent form of clause in terms of the requirements for arrest.

The minister has suggested, not only on this clause but on various other clauses, that what we are dealing with is a special situation, a particular event of a highly unusual nature, and that the bill is obviously of short-term duration. Because of these two arguments which he has put up again and again, we are supposed to believe that we should not be concerned that the legislation seeks to confer extraordinary powers. It is my understanding of the operation of a bill that once it becomes law, whether it is in effect for one day, one month, one year or 100 years, it carries with it the same kind of application. To say the least, it was a fallacious argument for the minister to suggest that because this is short-term legislation that excuses the kind of excesses, in terms of power, that it provides in clause after clause. I find that argument totally without substance.

The minister says that in order to effect the apprehension of those in the FLQ who are committed to terrorist activities we need this kind of legislation, even though he still fails to define the exact nature of the illegal organization. As long as that is the case I think he is only arguing for the other side, that we should not willy-nilly grant this kind of police power under statute.

The hon. member for York South has proposed an amendment which would bring this clause more in harmony with the present wording of the Criminal Code. He has suggested that we need such vague phrasing as "probable reason to suspect" because that in effect will open the door wide enough to arrest almost anyone. Certainly, that will be the case under the present wording of the clause. But he has pointed out that a large percentage, he might have said 80 per cent or 90 per cent, of those already arrested have been released and presumably most of these, if not all of them, will not be charged. Therefore, they are not guilty of any offence either under the regulations in connection with the War Measures Act, or under subsequent legislation.

I am still waiting for a substantial explanation for the wording "reason to suspect." I would say that "reason to suspect" means absolutely nothing. It is in no way indicative of any kind of objective information or facts that are normally required for due process of apprehension and arrest. It is completely left to the subjective opinion and feelings of the individual police officer.

I would argue that "reason to suspect" means nothing more than how the individual police officer may feel when he comes up to any specific individual. If he gets up in the morning after a poor night, tired and irritable, and he runs into somebody he does not like, under this phrase "reason to suspect" he can place that person under arrest. That is the sum total of what "reason to suspect" means. It has nothing to do with the facts that need to be available for proper arrest. The reason may be good, bad or indifferent. The clause just stipulates "reason to suspect." If the minister is seriously interested in the cause of justice, he will move immediately to accept the amendment.

The minister tells us that we are dealing with a special situation and with short-term legislation. We, in turn, also know that we are dealing with a very serious situation in the province of Quebec which has raised fundamental questions about the effectiveness of the whole police organization. Hon. members and people throughout the country have been wondering about the inefficiency of the police, and about the adequacy of their judgment. How in the name of all that is just and right could the minister be arguing for these kinds of broad, subjective powers to be placed in the hands of a police organization, which, on a number of counts during the past few weeks, has proved itself woefully short of good judgment?

This is completely contradictory. If this bill is to have any esteem at all from the people of the country, and particularly from those in the province of Quebec, then this "reason to suspect" provision must be changed. If we leave it in the bill, it will do the cause of justice a great disservice and could lead to a great amount of injustice. I ask the minister to accept the wording of the amendment, or similar wording. Only then can we avoid the ambiguity and vagueness that are so dangerous in clause 9(1)(a).

Mr. Gilbert: Mr. Chairman, I am sure that if we were to ask the minister if abuses had occurred under the similar provision in the War Measures Act, he would agree that they had, based on the figures he has quoted of 397 persons out of 450 being released, and those 450 having been arrested on suspicion.

I am not going to repeat the persuasive arguments of the hon. member for York South and the hon. member for Egmont, but I would ask the minister to study what the hon. member for York South has said with regard to "reasonable and probable grounds." The minister said that the hon. member for York South is really producing a hybrid between "reasonable grounds to suspect" and "reason to suspect," and he argued that the definition of "reason to suspect" really means bona fide reason, otherwise the arrest would be unlawful. I am sure that "bona fide reason to suspect" would satisfy the mover of the amendment, and also the hon. member for Egmont, and would give some direction to officers who are about to make arrests. I am sure the minister would agree that there have been abuses of the powers of arrest exercised under the War Measures Act. He should either agree to the wording of the hon. member for York South of "reasonable ground to suspect" or, to use the minister's own wording, "a bona fide reason to suspect". I should like to hear the minister's comments.

• (3:30 p.m.)

Mr. Turner (Ottawa-Carleton): Mr. Chairman, "reason to suspect" includes "bona fide reason to suspect". The words bona fide are assumed and would not add anything.

There are two standards imposed by our statutes at the moment upon the police. One is "reasonable and probable grounds to believe" in the standard provisions of the Criminal Code; the other standard is the reason to suspect in the Official Secrets Act. We have chosen the latter. I do not want to confuse the law by imposing another standard which would have to be interpreted by the courts if there were charges of false arrest.

Mr. MacDonald (Egmont): Mr. Chairman, there is one other matter which I should like to raise in this connection. In earlier remarks, the minister indicated that because of the difficulty in defining "unlawful association" he had to allow sufficient latitude. I suggest that the minister has, in fact, placed the argument on exactly the opposite side. The fact that the wording on which an arrest may be based is so vague makes the danger of abuse that much greater. Surely, if a peace officer were about to make an arrest he would not be utilizing the Criminal Code which provides for "reasonable and probable grounds to believe", when he would have the kind of open door the minister has provided in this clause of the

bill. In fact, by bringing this clause forward he is encouraging the kind of abuse that may well be made under this bill.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

The Chairman: The question is on the amendment. Hon. members will recall that there were amendments to clause 9 (1)(a) and subclause (c) which the committee agreed to deal with together. If the committee is ready for the question, the question is on the amendments.

Amendments (Mr. Lewis) negatived: yeas 11, nays 66.

The Chairman: I declare the amendment lost.

Shall clause 9 carry?

Some hon. Members: Carried.

Mr. Lewis: On division.

The Chairman: The hon. member for Matane. Is the hon. member for Moose Jaw rising on a point of order?

Mr. Skoberg: No, Mr. Chairman, just a question on clause 9 before it is carried.

The Chairman: I shall see the hon. member later. I have recognized the hon. member for Matane.

[*Translation*]

Mr. De Bané: Mr. Chairman, I should like to make a few comments on subclause (2) of clause 9 which reads in part as follows:

—a person arrested under subsection (1)—

If we abide by the present wording, it would mean that, in fact, peace officers would be encouraged to arrest people without warrant.

I think it would have been better to write:

"Subject to subsection (3), a person arrested on one of the grounds mentioned in subsection (1)", because by using the expression "arrested under subsection (1)", that is "arrested under suspicion", peace officers would be encouraged to arrest people without warrant.

As for me, I would like to bring in two amendments: the first to the effect that the peace officer—

[*English*]

The Chairman: Order. I interrupt the hon. member to suggest that he might submit his first amendment, and the committee could deal with it. I understand the second amendment deals with an unrelated part of the section so that might be dealt with at a later time.

Mr. De Bané: Thank you, Mr. Chairman. My first amendment is to add at line 2 after the words "may arrest without warrant" the words—

[*Translation*]

—after having as far as possible obtained the authorization from the Attorney General or from any of his substitutes, by telephone or otherwise.

[Mr. MacDonald (Egmont).]

[*English*]

By that amendment, I would like the agent of the policer officer—

The Chairman: Order. In order to conform with the Standing Orders, I think the Chair should put the amendment before the hon. member speaks to it. I shall ask the Clerk to read the amendment.

[*Translation*]

And the Clerk Assistant (Legal) having read the following amendment:

Mr. De Bané moved to add at line 2, after the word "warrant" the following words:

—after having as far as possible obtained the authorization from the Attorney General or from any of his substitutes, by telephone or otherwise.

Mr. De Bané: The experience we have been through since October 16, Mr. Chairman, goes to show that police officers have often arrested people without having any grounds whatsoever for doing it.

I spoke of the amendment I am introducing to some officials of the Department of Justice. They say that it would be quite possible and "feasible", if I may say so, for the peace officer, in most cases—this is why I used the wording "as far as possible"—to call the district Crown attorney in order to ask for his authorization. I think that this will be necessary, due to some abuses which have taken place since October 16.

Once again, I do not see how my amendment might in the least hinder the work of the police. On the contrary, its sole object is to reduce as much as possible flagrant errors in judgment.

[*English*]

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I think that the words sought to be added by the hon. member, in the circumstances of the additional powers that the bill seeks to give respecting apprehension and investigation, would paralyze the effort of the police to attempt to immobilize or apprehend members of the FLQ. In the circumstances it would be impossible for a police officer, in the time in which he would have to operate before making the arrest, to get the specific authorization from the Attorney General. If that were possible, obviously we would have insisted in the first place that they have a warrant specifying the person to be arrested and the charge to be laid. It is because we are contemplating arrest without warrant that we say "without warrant". The circumstances are similar to those found in sections 434-436 of the Criminal Code.

[*Translation*]

Mr. De Bané: Mr. Chairman, I do not want to delay the business of the House, but I call the attention of the Minister of Justice (Mr. Turner) to the fact that the amendment which I propose contains the words "as far as possible". Besides, under this clause, in actual practice anyone could be arrested. For instance, the police could arrest someone anywhere, and if other persons are present, nothing will be easier than to telephone from that

place to the Crown attorney and tell him who else is there. I spoke about this problem with provincial government officials who told me that this authorization can be granted on the telephone, and that it is not mandatory in every case, because, as the minister said, obviously this would not be possible in some cases. For this reason, I used the expression "as far as possible". This is the reason for my amendment.

• (3:40 p.m.)

[*English*]

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. De Bané) negatived: Yeas, 1, nays, 58.

The Chairman: I declare the amendment lost.

[*Translation*]

Mr. De Bané: Mr. Chairman, I would like to propose another amendment in order to add a subclause which would become No. 4 and would read as follows:

[*English*]

No employer shall, without penalty, dismiss or suspend an employee merely because of that employee's arrest under this bill.

The Chairman: Order, please. I shall ask the clerk assistant to read the amendment.

[*Translation*]

And the Clerk Assistant (Legal) having read the following amendment:

Mr. De Bané moved that the following subclause (4) be added to clause 9:

No employer shall, without penalty, dismiss or suspend an employee merely because of that employee's arrest and release without charge under this act.

He said: The amendment I propose is a corollary of the right of peace officers to arrest merely on the strength of suspicion. Hundreds of persons have already been arrested, several of whom were unable to return to their jobs because, according to their employers, the fact that they had been arrested and then released was reason enough to fire them. It seems that, especially because the police have in fact the right to arrest any individual and that, unavoidably, innocents are arrested and then released, considering our experience since October 16, we should pass a special clause forbidding an employer to fire an employee merely because the latter has been arrested.

I feel that this will not effectively prevent abuses which might result under clause 9(1) of the bill, but at least, it will make it so that persons already arrested, and whose arrest is per se a denial of justice, will not have to pay once more their alleged debt to society, when they are not guilty of anything.

Therefore, Mr. Chairman, I move that the following subclause be added to clause 9.

[*English*]

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I submit to the committee that it should reject the amendment proposed by the hon. member for Matane. If there is unwarranted arrest, there is still the right to sue for false arrest; but, in attempting to do what the hon. member is trying to do, we would be interfering, in my opinion, with the civil law of contract, which is a provincial matter.

Mr. Fairweather: Mr. Chairman, may I ask the minister a question. What is the status of those who have been arrested and subsequently released?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I do not have that information.

Mr. Lewis: Mr. Chairman, I rise without hesitation to support the amendment, subject to a suggestion which I should like to bring to the attention of the hon. member for Matane. I do not have his amendment before me, but, as I remember it, the motion speaks about a person—

[*Translation*]

—who has been arrested under this act. But it does not say whether the person had been released without charge or put in jail for that reason.

Therefore, I would ask the hon. member for Matane to agree that the following words be added to his amendment:

—and release without charge—

—so that the amendment would read as follows:

—merely because of that employee's arrest and release without charge under this act.

[*English*]

Mr. De Bané: Certainly.

Mr. Lewis: If the hon. member accepts that suggestion and it becomes part of the amendment, I should like to say one or two words in support of it. I appreciate the point the Minister of Justice made, that the relationship between an employer and his employee is basically a provincial matter and comes under the umbrella of contract of employment involving the employer and employee. None the less, there is no reason why we cannot, as part of the penal statute, prohibit the employer from dismissing an employee merely because he has been arrested under this law and later released without being charged. This is why I wanted those words added. I am not prepared to say that, with a person who has been charged and perhaps convicted, the employer should be under any obligation. But persons who are arrested and later released without being charged ought to have their jobs protected by this law.

The minister refused to accept my suggestion or even my amended suggestion that would have reduced the likelihood—although nothing is certain—of the kind of wholesale, excessive arrests which have already taken place. If he is going to give the police the powers, which he now seeks to give them, to continue in the excessive and inefficient way in which they have arrested people to

date, most of whom have been released, then surely there is a moral as well as a social obligation on him and on this Parliament to make sure that people who are arrested by the police without grounds and later released do not have their livelihoods jeopardized. I strongly support the amendment moved by the hon. member for Matane, with the addition of the words I have suggested. Perhaps he can tell me whether he is satisfied with the words, et relâché sans accusation. I do not know, Mr. Chairman, whether I should move this as a subamendment or whether you will accept the words from the mover of the amendment as part of his amendment.

The Chairman: I understand that the hon. member for Matane will accept the addition of the words suggested by the hon. member for York South. Perhaps the best way to regularize the proceedings would be to ask the committee if it consents to having the motion of the hon. member for Matane amended by the addition of the words suggested by the hon. member for York South. Is there such agreement?

Some hon. Members: Agreed.

The Chairman: This being agreed, I shall ask the hon. member for York South to give to the Chair his words in writing. In order to conform with the Standing Order, the suggested words should be added to the amendment in that way.

Mr. De Bané: Mr. Chairman, may I say a few words. The amendment I am suggesting was inspired in its drafting by our Quebec civil procedure and by section 650 in the chapter relating to the specific rules as to the seizure of salaries and wages. Clause 650 reads:

• (3:50 p.m.)

No employer shall, on pain of all damages, dismiss or suspend an employee merely because his salary or wages have been seized by garnishment.

The amendment is inspired by the law which already exists. As a result of the action taken on October 16, people were arrested and later released. Some of these people were fired by their employers because of these arrests, even though they were detained for only one or two days. There should be a safeguard for those innocent people who are held only on suspicion.

Mr. Broadbent: I wish to make a few comments. It has been acknowledged by members of all parties that this is an extraordinary piece of legislation. To understate the case by about 1,000 per cent, it is much more likely that innocent people will be arrested under this act. The amendment introduced by the hon. member for Matane seems to be the minimal kind of assistance that the state should introduce to protect innocent people. Instances have been reported in the press and in this House of people who have been arrested under the War Measures Act and released because of their innocence, who have lost their jobs. This is a very civilized proposal, one which this House should accjept.

Mr. Skoberg: Mr. Chairman, I have a copy of the transcript of an interview with the Prime Minister on "Format 60" of November 3, 1970. The interviewer at that time asked the Prime Minister:

But surely the concern of the legislator faced with drafting laws such as this, those making exceptions, is to guard against the possible arrest of too many people who have nothing whatsoever to do with the terrorism, for example.

The Prime Minister replied:

Exactly. That is our concern.

The minister must realize that he is adding a penalty to those people who may be employed by an employer who, although he realizes the person was arrested for undue cause, will probably dismiss him. There have been many such cases in this country. Even those who have served short terms and paid their debt to society are being penalized twice. Of 450 people arrested, 397 have been released. These people are faced with the situation where they may have to pay double penalties. They may lose their jobs and, therefore, their salaries. Surely, the minister realizes the situation that exists.

I am amazed at the minister saying this is a provincial matter. This bill is being debated in the federal House. The minister, in fact, is again taking the provincial authorities off the hook by imposing laws to which employees will be subjected. I strenuously object to dealing in this House with laws and the regulations that will be implemented by the provincial authorities. If that is the situation with which we are faced, we should have nothing to do with it.

Employees who are arrested without justifiable cause will be penalized by being held without recourse to any type of representation and, upon release, losing their employment. What kind of society is this? I urge the minister to grant the small concession in this amendment.

Mr. Gilbert: Mr. Chairman, the member proposes a remedy for those people who have been arrested, detained and subsequently released and who have lost their employment. If we accept the explanation by the minister that there is a jurisdictional problem in that it the remedy may lie exclusively within the jurisdiction of the provinces, then I feel that in so far as federal industries are concerned the provision could be effective. There is a way around this which I ask the minister to consider.

If it were made an offence under the Code, punishable by summary conviction, for employers to discharge any person who had been arrested, charged, detained and subsequently released, that would come within federal jurisdiction. I have often said that in my view the minister is a fair-minded, reasonable person. This is an opportunity for him to again exercise this reasonableness that he has exercised on many other occasions.

If it were made an offence, punishable on summary conviction, for any employer to discharge a person who had been arrested, detained and subsequently released, then those people would have some remedy, some measure of protection. This would apply to 397 of the 450 arrested. I am sure the minister does not want to throw these people to the winds by failing to recognize that they should be given some protection. The minister might

say they have protection under the Civil Code and can bring an action against the police for damages. The minister knows better than I the difficulties involved.

The member for Sault Ste. Marie and the minister's parliamentary secretary are sitting beside him. They know the difficulties involved in suing the police. It involves time, money and effort and it is difficult to obtain a result. This is an opportunity to make it an offence for an employer to take this approach to people who have been arrested, detained and subsequently released without charge. I am sure the two wise men sitting beside the minister will agree that the minister should exercise his good judgment, wisdom, reasonableness and compassion for people who have suffered thus far.

The Chairman: Is the House ready for the question?

Some hon. Members: Question.

The Chairman: The question is on the amendment. I will ask the Clerk to read the amendment as amended, because hon. members will recall that by agreement there were words added to the original proposal. Before I put the question, I will ask the Clerk to read the amendment.

[*Translation*]

And the Clerk Assistant (Legal) having read the following amendment:

Mr. De Bané moved that the following subclause (4) be added to clause 9:

No employer shall, without penalty, dismiss or suspend an employee merely because of that employee's arrest and release without charge under this act.

• (4:00 p.m.)

[*English*]

Amendment (Mr. De Bané) negatived: yeas, 11; nays, 51.

The Chairman: I declare the amendment lost. Shall clause 9 carry?

Mr. Skoberg: A brief question to the minister, because I think this is the most dastardly piece of legislation we could look at at any time. Would he care to spell out his interpretation of the words "has reason" as they appear in 9(1)(a) and elsewhere in the bill?

Mr. Turner (Ottawa-Carleton): I have no dictionary before me, but "has reason" means "has justification" or "has cause".

Mr. Skoberg: That answer is typical of what we can expect, I suppose. Really, the intent of my question has been passed over. This is something we must know, as it is something fundamental. It is not enough to look up a dictionary and read what "has reason" means. How will the words "has reason" be defined in practice? Will they cover any situation where a police officer finds something that is not to his liking? I am not looking, now, for a legalistic interpretation but for a practical answer to a question which I believe the people of Canada have a right to expect will be answered.

The Chairman: Shall clause 9 carry?

Some hon. Members: On division.

Clause agreed to.

Clause 10 agreed to.

On clause 11—*Seizure*

[*Translation*]

Mr. De Bané: Mr. Chairman, I wish to explain why I am proposing an amendment to clause 11, which authorizes, in exceptional cases, a search without warrant and the seizure by a peace officer of such objects as may be deemed useful. There is no provision then compelling the peace officer to turn over the seized objects to the court and to conform to the other provisions of the Criminal Code, such as drawing up a report, bringing back the seized objects to the court, obtaining the authorization to hold certain objects. On the other hand, there is also no provision establishing the necessary machinery to allow the person whose objects have been seized to have access to them, as provided in the Criminal Code. I suggest, therefore, that a new subclause (2) be added to clause 11 which would read as follows:

From the time of seizure, other provisions of the Criminal Code related to property seized during a search remain fully applicable.

Mr. Chairman, I move this amendment because, under that clause as it now reads—

[*English*]

The Chairman: I will ask the Clerk to read the amendment.

[*Translation*]

And the Clerk Assistant (Legal) having read the following amendment:

Mr. De Bané moved that a subclause be added to clause 11, to read as follows:

From the time of seizure, other provisions of the Criminal Code related to property seized during a search remain fully applicable.

He said: Mr. Chairman, I see no reason why, in cases of seizure of property, the provisions of the Criminal Code, particularly those of Section 432, determining the disposal of things seized, should not apply here, since we should bear in mind that the provisions of the Criminal Code are relevant and deemed adequate in all possible and conceivable cases.

I therefore feel they should be specified, to the extent that they apply to a situation.

Thus, would not the person whose property had been seized be given a copy of a statement listing items belonging to him? Therefore, if the Criminal Code provides that in any kind of offence, if articles are seized, certain formalities must be observed, and that the provisions to this effect are judged relevant, I believe that it would be advisable to add this subclause to clause 11 to specify that any provision of the Criminal Code, not inconsistent with clause 11, continues to apply.

[*English*]

Mr. Turner (Ottawa-Carleton): In accordance with the ordinary provisions of the Code, once the order to seize has been vacated, either on the expiry of the period of 90 days or of the extra period granted by the judge, the goods will be returnable to the person from whom they were seized. I ask the committee to reject the amendment.

Mr. McCleave: What would be the procedure within the 90 days? Suppose a man was released but his car was still held on police premises. Would the police automatically release the car?

Mr. Turner (Ottawa-Carleton): If the person was released prior to the expiry of 90 days, the evidence related to the charge would no longer be required and an application could be made to a judge for the release of the property.

Mr. Lewis: With respect to the Minister of Justice, I invite the hon. member for Calgary North and others to look at section 11 and tell me under what authority a person can apply to a judge before the expiry of the 90 days and ask for his property to be returned. The section provides that property may be seized without warrant and detained for not more than 90 days, but there is no suggestion the owner can do anything about it before that period expires. I do not want to get into a legal argument at this point, but it seems to me that when a clause provides authority for a judge to extend the period but does not say he has any authority to reduce the period, the likely judicial decision would be that there was no authority to reduce, otherwise Parliament would say so. I wonder why the minister does not take a few minutes to specify, for example, that before the expiry of 90 days, where a district magistrate or a judge is satified having regard to all the circumstances, upon an application for the release of the goods seized, he may so order. The section would give the court the right either to say the goods were not longer needed and should be released, or to decide they were needed for a longer period and authorize them to be kept.

• (4:10 p.m.)

I do not see any reason why the minister should not make that simple correction so there is no argument in court as to whether or not the court has the authority to do so. I remind the minister of the old Latin phrase *inclusio unius exclusio alterius*—if you include one you exclude the other. I suggest to him there would be a very strong legal argument that since the clause includes the right of the court to extend the period but says nothing about reducing the period, the likelihood is that at least some judges would say they had not the authority. I think you should give them the authority in specific language.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, this clause is drawn along the lines of Section 432 of the Code which also provides for additional detention but not for earlier release, yet applications are made under that section for earlier release.

[Mr. De Bané.]

The Chairman: Is the Committee ready for the question? The question is on the amendment. All those in favour of the amendment will please rise. All those opposed to the amendment will please rise.

Amendment (Mr. De Bané) negatived: Yeas, 11; nays, 49.

Clause agreed to.

On Clause 12—*Bill of Rights*

Mr. Lewis: Mr. Chairman, I wish to move that Bill C-181 be amended by inserting therein the following new Clause 12 and that the remaining clauses be renumbered accordingly. I think a copy of this was put on the table some time ago; if not, I may have an extra copy. I think the minister has a copy of it.

The Chairman: The table does have a copy of the hon. member's amendment to Clause 12. Does the hon. member for York South wish the Chair to put the amendment at this point?

Mr. Lewis: Yes. Would you like me to read it or would you like to read it.

The Chairman: Yes. It is moved by Mr. Lewis:

That Bill C-181 be amended by inserting therein the following new clause 12 and that the remaining clauses be renumbered accordingly:

12(a) Immediately upon the coming into force of this Act, the Minister of Justice shall appoint a supervisory Commission of three persons who shall not be employees of the federal or of any provincial governments or of any police force, and who shall have authority to interview persons arrested under this Act, to ensure that they are treated according to law, that they have had access to counsel, that they do not continue to be detained without adequate grounds and they have been given the opportunity to contact their families.

(b) The said Commission shall have the authority to make public its findings in any way and as frequently as it deems necessary.

Mr. Lewis: Mr. Chairman, may I say first that I am not wedded to that particular language. If the minister were prepared to accept the idea, I and my colleagues would be prepared to have him produce something satisfactory.

The point of this amendment is sharpened by what has happened, to which reference has been made a number of times. We have to look at the facts since October 16 as far as we know them, and the facts relevant to this amendment are the following: First, some 450 people have been arrested but some 397 of them were released as of ten o'clock this morning, I think the minister said; second, for some days many of them—perhaps all of them—were kept incommunicado without being given access to counsel. This is now public knowledge. I am not saying this happened in every case because I do not know, but I am not saying this happened in every case because I do not know, but I am saying that it probably happened in every case and that it certainly happened in most cases. These people who were arrested were kept incommunicado for many days without being given the opportunity to see and retain counsel, without being given the opportunity to see their wives or members of

their families, or indeed to communicate with them in any way whatsoever in the first week or so.

Later, after the first six or seven days, in some cases that have come to my attention, those in jail were given the right to write a note to their wives. In the cases that have come to my attention the people involved were wives. They were given the opportunity to write a note to their wives, and a policeman or guard at the jail, then read the note over the telephone to the incarcerated person's wife. They were not allowed, in the cases that have come to my attention and this is not guesswork as I have spoken with 10 or 12 of these people, some of whom were in my office, to have their textbooks. Students, one of them from Carleton University and the other from the University of Ottawa, were not allowed to have their textbooks during the time they were incarcerated, although they pleaded for them because they wanted to continue their work. In one case that has come to my attention a wife brought some clothing for her husband who was arrested and he got the clothing after he left the jail. He was in jail eight days and had no change of underwear or shirt or any other piece of clothing and was released without charge but was interviewed for only ten minutes during those eight days. I cannot tell you how many times this kind of thing occurred, but the fact is these things have happened since October 16, and as sure as you and I are here they will happen again if things are left as they are.

It was interesting to read the report of the Civil Liberties Association of Montreal. It was a report prepared by Mr. Hébert and his committee of three who not only complained about the conditions under which people were being kept under arrest but also cynically pointed out that for some reason they were given a date to visit jails at a time when most of the people who were in jail had already been released. This is the kind of thing he found and reported to the press. I have read the reports and could quote them if I wanted to take the time or if anyone here has not read them. I listened to Mr. Hébert at one time on the television, both in English and in French, when he gave a description of what he found.

The minister is going to say again, I have no doubt, as he has said throughout, this is an extraordinary piece of legislation to deal with an extraordinary set of circumstances and to break up an extraordinary terrorist organization. If he is right in all of these things, and I know he is right in at least some of them, then I think the situation requires extraordinary remedies and extraordinary safeguards.

If he refuses, as he has done before, to accept efforts to lessen the arbitrariness and repressiveness of the bill which is before us, then he ought to agree to this suggestion of appointing a supervising commission of three independent people who will make sure that those who are arrested on mere suspicion and kept in jail up to seven days, instead of the longer period under the regulation, are treated according to law and according to a sense of decency and of justice which even our worst criminals get in normal times.

• (4:20 p.m.)

I therefore say to him that precisely because this is extraordinary legislation, and precisely because it is legislation that abridges very seriously a good many normal liberties and rights, this kind of supervisory body should be established. In an amendment which I have seen which the official opposition intends to move an administrator is suggested, although personally I prefer the notion of a commission of three rather than one person. Such a body should be established to provide a safeguard against abuse, against over-zealousness, against arbitrariness and against incompetence. Such a provision should be put into the law because since October 16 we have had experience with all these things, arbitrariness, abuse and incompetence. There is only one way to make sure that will not happen again; that is, by establishing through this piece of extraordinary legislation a special kind of supervisory commission to make sure that those persons arrested are treated properly.

The reason for subclause (b) in the amendment is that I want to be sure, as I assume the minister himself would want to be sure, the new commission would operate under conditions which would ensure that its findings become public so that the people of Canada would know exactly what was happening, since the only final sanction against abuse of the type I have described is the anger and annoyance of the people of Canada or the people of the province of Quebec as the case may be. I do not intend to say anything more now, Mr. Chairman. The evidence of what has happened in the last few weeks makes clear that such a provision is necessary and that such a supervisory commission is desirable. Unless the minister can show very good cause why this provision should not be incorporated in the bill I invite him to accept it. If he does not like my language, but accepts the idea, then we can see his language or the language of his officers because I do not suppose it would be his.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I have to say to the committee I reject this suggestion most strenuously. I do so for a number of reasons.

Mr. Peters: I am glad to see you are consistent.

Mr. Turner (Ottawa-Carleton): The first reason is that it would clearly be tantamount under the present circumstances to a deliberate vote of want of confidence in the Attorney General and government of the province of Quebec.

Some hon. Members: Oh, oh.

Mr. Turner (Ottawa-Carleton): Yes; that is exactly what it would be.

Mr. Orlikow: You want to give him a blank cheque.

Mr. Turner (Ottawa-Carleton): Under the administration of justice pursuant to the Criminal Code, and under

the administration of the current regulations as proclaimed under the War Measures Act and under the scope of this bill, the enforcement of those regulations and this bill, as is the case in respect of the enforcement of the administration of justice under the criminal law, is left with the attorney general of the province, in this case of Quebec, who is responsible to the legislature of the province and through the legislature to the people of Quebec.

The Attorney General of the province of Quebec is responsible to the people of Quebec in the same way the 74 members of Parliament elected to this House of Commons also are responsible to the people of Quebec. We are dealing with a federal state and, because the geographical location and the seditious threat relates primarily to Quebec and its relationship to Canada, the primary responsibility for the administration of this bill will lie in this case with the provincial Attorney General. That is clear. The hon. member is suggesting that we superimpose on the Attorney General of Quebec a supervisory commission of three persons, not appointed by the Attorney General of Quebec but appointed by the Attorney General of Canada or the Minister of Justice of Canada, who shall not be employees of the federal or of any provincial government or of any police force, which would have supervision over the administration of justice which by law and under the practice of responsible government is incumbent upon the Attorney General of Quebec.

To whom would this supervisory commission be responsible? It does not have to report to anybody. It has to make its findings public but does not report to anyone. It cannot be held to account. The Attorney General of Quebec can be held to account. If in the view of the people of Quebec or Canada the administration of the regulations or the bill have been improper, he could and would be held accountable.

Mr. Woolliams: Do not talk nonsense.

Mr. Turner (Ottawa-Carleton): Wait. What powers would be given to this commission? By the terms of this amendment there would be the power to ensure that any people who were arrested under this act were treated according to law. That is a judicial function. That would be giving to this commission the power to supervise what is normally left to the Attorney General or the courts. Next, it would ensure that persons arrested would have access to counsel. That is already provided for in clause 12. Then, there would be a provision that these people be not detained without adequate grounds. That is a judicial function, too. Is this commission to be given this supervisory power over the Attorney General and the courts?

Finally, there would be the provision that those arrested by given the opportunity to contact their families. If the right to counsel is inherent in the bill, which it is, then the right to communicate is related to that because the right to contact a lawyer usually involves the right, through the lawyer, to contact the family. But, better than this, the Attorney General of Quebec has already appointed a committee which is to concern itself with the

[Mr. Turner (Ottawa-Carleton).]

administration of the emergency legislation. The membership of this committee is as follows. The chairman is Jacques Hébert, president of the League of the Rights of Man and also a Montreal publisher. The members are Roland Parenteau, an economist, and Jacques Tellier, a priest. The terms of reference are spelled out in this way in French—I am translating:

The Minister recognized its existence, provided its actions were within the frame of reference:

1. Communications between prisoner and family.

That is provided for.

2. Care of families—financial and otherwise.

That is provided for.

3. To see that person arrested does not suffer, e.g. lose jobs, etc.

(But are not to work in area of ombudsman).

4. Anything unusual to be communicated to ombudsman.

5. Report to Minister or ombudsman anything not correct.

The Attorney General of the province of Quebec in the exercise of his lawful authority, the authority for which he bears responsibility to the people of Quebec, has already appointed this type of committee.

If what the hon. member is seeking is an accountability process, the accountability is there under the law to the legislature and to the people of Quebec. The Attorney General of Quebec, or of any province, or the Attorney General of Canada is a good deal more accountable under the fundamental principles of responsible government than would be any supervisory commission appointed under the terms of reference suggested by the hon. member. For these reasons, and because we live in a federal state, I am constrained to reject, as I said, very strenuously this suggestion.

• (4:30 p.m.)

Mr. Woolliams: Well, Mr. Chairman, I have asked the minister several times whether he is prepared to accept our amendment to clause 15 of the bill. That amendment would be similar to what we have before us now. I had hoped the minister would have said something about that because he had had a copy of it for days. However, I think we might come to the conclusion now that no matter what kind of amendment we move to this bill this government, through the Minister of Justice, will refuse it. My good friend beside me says that he would not give even a choir of angels all this power without some protection. I said the other night, and it has not been denied, that the Prime Minister has done with this bill what he did with another bill that was before the House, the bill on capital punishment. He told the Minister of Justice that no matter what the opposition suggested he should oppose it and this bill should go through without any changes. So we can take it that there will be no changes.

Mr. Benjamin: Even by a government member.

Mr. Woolliams: Yes, but there seems to be some hanky-panky going on in that corner. I am not too sure about that.

On the face of it, I would be prepared to support the amendment moved by the hon. member for York South or the amendment we will move in a few minutes. I think ours is superior. I believe any provision that sets up a body to review the abuses that are bound to take place under this bill, which gives extraordinary powers to the police, is good. I and other members of my party will vote for the amendment that was moved by the hon. member for York South, although I think in some respects ours is superior. I will deal with that when the time comes. It is obvious now—and I do not play games when I speak—that the Minister of Justice with his majority behind him will vote down the amendment of the hon. member for York South. There is no question that it is going out the window.

I want to answer the first argument of the minister. He said that the attorney general has already set up a special committee. He knows and we know that this committee has no power under the law. It may consist of a group of friends, associates or colleagues or even a group of good minded citizens, but if the attorney general and the police said "Tomorrow we do not want you around the jail, get out" that is what would happen. This is the weakest part of the minister's argument. It is a pretty good bluff for the news media but I, as a lawyer, do not swallow it. I am sure that neither the hon. member for York South nor his party will swallow it, either. There is no power under the law that permits the committee to protect people from the abuses that are bound to take place under the bill before us. That is the first point I am making. When I said "hogwash" when the minister was speaking, I meant it. It is straight hogwash.

The Minister of Justice knows how to sell. But let him not try to sell us something that has no merit. He is a tremendous salesman. That would be the first characteristic I would describe if I were writing his biography in the Parliamentary Guide. That kind of salesmanship, when we are dealing with possible abuses, does not go very far.

I am supporting the amendment of the hon. member for York South because we want some body created by law with some powers in view of the fact we are now setting aside the Bill of Rights and giving the police extraordinary powers. The minister keeps referring to the attorney general, but he is actually giving to the police the right to detain people without counsel and to hold them for a period of time. We tried to reduce the period of time from 90 days to 30 days and we put forward other amendments with regard to this. These prisoners can be denied counsel and many of them are held incommunicado. We heard the hon. member for York South describe the conditions. I have raised questions at times regarding the right under the Criminal Code, and even under our immigration laws, to detain people for 80 days or 90 days without charges being laid.

I have much respect for the RCMP, and I have said that before, but I still say that the police are not angels. They are normal human beings and we know what human behaviour is. You are arming policemen with special powers, and of course the attorney general could not possibly personally review 500 or 600 cases. That would be an impossibility. What we are asking is that a committee be set up, or an administrator appointed, with special powers to review the abuses that might take place. An accused, after a reasonable length of time, can make an application to obtain counsel and have his case reviewed. Surely, that is reasonable.

The Minister of Justice has tried to assume the image of a reformer. He has tried to reform the Criminal Code through a bill called the omnibus bill, and I have questioned whether it brought about many reforms. He has tried to reform the law on bail. He spoke with great affection about reforms to the law to the Canadian Bar Association when they met in the Chateau Laurier Hotel. After the meeting all the lawyers went home and said the minister is a great reformer. They said, we at last have a great new Minister of Justice in Canada.

Some hon. Members: Hear, hear.

Mr. Woolliams: I am glad to hear this applause. You are rejoicing now but you will soon be crying because abuses will take place under this bill. I cannot believe for one moment that any lawyer on that side of the House—I will separate you people—who has had any experience at all, or any Member of Parliament who has some knowledge of civil rights, would not say that the opposition's suggestion to establish a review board or committee to review abuses under the act was a reasonable one.

I want to mention another argument which the minister has put forward every time we moved an amendment. He keeps saying "This is not our responsibility; we are handing it to the province of Quebec".

Mr. Fairweather: That is the very reason we need protection.

Mr. Woolliams: I agree. The minister says "we are handing this to the province of Quebec and they are going to take care of all the abuses". As I said last evening, as soon as this bill becomes law the minister will say "I cannot answer those questions. I do not know who is in jail. I do not know whether 50 per cent of the citizens of Quebec are in jail. That is for the attorney general of the province to worry about. If they are detained illegally without proper reason or purpose, that is not our concern, it is that of the attorney general of the province of Quebec".

I agree that at present both the government of Canada and the government of Quebec happen to be Liberal, but even that association does not give the minister or his government any reason to escape their responsibility. We have to take a few moments to analyze what is going on here. To start with, the government brought in the War Measures Act. We supported it because we were told, upon our request, that a bill would be put before the House. At least the government kept its promise in that regard and we have the special bill. That is why we are supporting it. However, if you take a look at the defence of Canada regulations, which were a part of the War Measures Act during the war and the regulations that

were part of the War Measures Act when it was invoked on October 16, you will see that both are identical. When the federal government invoked the special regulations during wartime, it assumed its responsibility. Why is the government not assuming its responsibilities today? This is straight politics and it makes one wonder. I say that there has been a lot of politics played in implementing this measure. It makes one wonder whether there was anything in the trucks that left Quebec before the provincial election. This is straight politics.

I plead with the minister once more. We are coming to the end of this debate. Surely, in the name of reason, he will agree to set up a special body to review possible abuses under this bill and accept the amendment of the hon. member for York South. I am not inflexible over this nor I believe is any member on this side. However, I hope the minister will be prepared to rise in his place and say he thinks our amendment is superior. But what he wants to do is say, "We are not accepting anything. We are going to fight you to a standstill. We are going to create an all-powerful police state in the province of Quebec."

• (4:40 p.m.)

We have heard a lot about special status from those people for a long time, and even about two nations.

Mr. Clermont: That was your leader.

Mr. Woolliams: The hon. member says that was my party. I can readily pick out for him references in *Hansard* during the Pearson years which indicate that idea came from him. The hon. member happens to be chairman of the Finance Committee. He had better stay with that subject rather than deal with justice. What we have here is a special law for the province of Quebec, a special law to deal with a certain association. There may be other associations in Canada besides the FLQ which believe in violence. In fact I think there are, but the government has picked on Quebec. I am surprised that some of the members from Quebec have not shown their anxiety about this.

An hon. Member: They know the situation.

Mr. Woolliams: The government is saying to them, "We are going to give you this kind of arbitrary legislation and you must take it whether you like it or not. We can throw up our hands when it goes through because if things go wrong we can blame the province of Quebec when we are on the hustings."

Mr. Béchard: Nonsense.

Mr. Woolliams: Look at the bill—arrest without warrant, search without warrant, detention for such a length of time, and all this in unusual circumstances. Why, the door to the house of the Secretary of State was kicked in because his name happened to be the same as that of somebody else sought in connection with the FLQ. Yet, the government members say there is no abuse. If my house is in Westmount and there is somebody by the name of Woolliams who is suspected of being in the FLQ, is my door going to be kicked in? My hon. friend opposite shakes his head.

Surely, when there are abuses there should be somebody to review them. Members of the government say, "Oh well, we will trust the police." But if such a thing as this can happen to one of the ministers of the Crown, then what about the poor little average citizen? What is going to happen to him? That is why there should be a review body provided with power to review the observance of terms spelled out in the Bill of Rights and which exist in the common law of the country.

This bill can create a police state. I say with the proper respect, Mr. Chairman, and in its proper perspective, that when we hand a document like this to the government, together with the War Measures Act, we hand them the same kind of powers as were handed to Adolph Hitler. Of course it can be said that he was crazy, but these documents might fall into the hands of a few people who are crazy, too. All I am asking is that the citizen who is abused have some place where he can get a remedy. I plead with the minister, but it seems to me I am just wasting my time. It is like pleading before a prejudiced court, when you know the judges have made their decision in some club even before you arrive at the court house door.

Mr. Béchard: It's a pretty good speech.

Mr. Woolliams: I hope you take it to heart. I am sure the reason I am being interrupted is that I am getting at the consciences of good men like yourself. I have sat on committees with you, and I know you think well and think right.

Has the minister looked at our proposed amendment? We kept our speeches to a minimum on this bill so as not to delay its passage. The minister must agree with that. We did so knowing we would come to this type of amendment and, even with all the powers granted by the bill, if the amendment were adopted some protection might be given to the citizen. Now we have reached such an amendment, and the minister's answer is no. The minister said he was not going to decide on our amendment until we got to it. Mr. Chairman, he had decided before this debate started. He closed his mind. It was only open until the the Prime Minister told him, "No amendments."

Mr. Lewis: He might as well have had the bill adopted by the Liberal caucus.

Mr. Woolliams: I understand he makes better speeches in caucus than he does in Parliament. I know that from talking to some of the Liberal backbenchers.

Mr. Stanfield: Mr. Chairman, I will not be long because it will not take me very long to say what I want to say. We have agreed in principle to these powers being granted. We went along with the very broader powers under

the War Measures Act regulations. We are quite prepared to provide the authorities with the additional powers they may need to seek out these terrorists and to deal with them. But, Mr. Chairman, there is not the slightest excuse for the government refusing to establish some machinery of review, which would not interfere in any way with the effective searching out of these terrorists but which would at least provide individuals affected with some degree of review, and which would also eventually let the people of Quebec and the people of Canada know what took place.

The minister speaks of federalism. He speaks of the power being given under this bill to the attorney general of the province of Quebec. Mr. Chairman, I throw this in the minister's face. He is simply using a concept of federalism to slough off his responsibility. I do not want to be abusive. I realize the government has been under a lot of pressure and difficulty. These are difficult days, but I say to the minister in all sincerity that there is not the slightest excuse, and one cannot possibly justify powers of the sort granted under the War Measures Act regulations or the powers being granted in this bill, without providing some right of review. As to the mechanics of it, I have an open mind.

For the minister piloting this bill through the House, and for the government as a whole, to refuse to lift a hand, even to lift a finger to provide some protection to individuals who are effected—this I cannot understand. I do not want to be offensive or personal. I noticed a good many members opposite smiling when others were discussing this matter.

I realize perfectly well that the majority of the people of this country today are not really interested in the question that is raised in this amendment. I realize that the only thing the great majority of the people of the country are interested in is searching out the terrorists. But I say that is not the slightest excuse for members of this House not being interested in this question. It may very well be that this bill will be adopted without any provision for review, either along the lines indicated in the amendment sponsored by the hon. member for York South, or in the later amendment to be sponsored by the hon. member for Calgary North. However, I say this House would be derelict in its duty in creating the powers set forth in this clause without setting up a reasonable method of review. There is no way the Minister of Justice, or any member on the other side of the House, could possibly justify what they are proposing to do.

• (4:50 p.m.)

I wonder whether the Minister of Justice has communicated with his colleague, his partner in federalism, because federalism is a partnership as well as a good many other things, about the proposal for a review procedure suggested by my hon. friend from Calgary North and my hon. friend from York South. Have the propositions proposed in these amendments and their implications been discussed with the Minister of Justice of Quebec? I should like to have an answer to that question before I continue. If there have been discussions, what was the answer?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, very early in the administration of the regulations pursuant to the War Measures Act I discussed with the Attorney General of Quebec the proposition of appointing the type of committee that has been appointed under his jurisdiction and responsible to him, the ombudsman and the people of Quebec. That has been done.

Mr. Fairweather: Under no statute has it been done. We have to remember that we are debating in the context of a situation where it took a court order to get the fundamental right of counsel for people who were incarcerated under the War Measures Act; it took application to the courts and a decision by a judge. We have to discuss these review implications under the—I was going to say threat but I do not want to be abusive—alarming context of a speech made last Friday in the National Assembly by the Minister of Justice of Quebec. That speech was one of the most flagrant abuses of what I would have hoped was a cooling off period in a very grave situation, the worst I have seen since the Minister of Regional Economic Expansion tried to inflame us at an earlier stage.

It has been suggested seriously that citizens of one part of Canada be fingerprinted and made to carry identification cards. The Minister of Justice now suggests that this is clearly unconstitutional. It is in this mood that we are earnestly proposing—and as my colleague has said, with considerable flexibility as to which proposition is accepted—a simple procedure so that justice will be seen to be done. I suggest there is very good evidence that justice has not been seen to be done in connection with many of the arrests under the War Measures Act.

Some hon. Members: Hear, hear!

Mr. Fairweather: I do not think I have used inflamatory language here but I challenge, in fact I dare, the Minister of Justice to come here after the dinner hour with a review procedure authored by himself that would fit the joint amendments that we have proposed. He would see how quickly this Parliament would accept his proposals. That is a challenge and I should like to see it accepted.

Mr. Wahn: Mr. Chairman, I believe members on this side of the House are as interested as those on the other side in protecting the rights of individuals who may be detained under this extraordinary legislation.

Mr. Lewis: Show it.

Mr. Wahn: It is important that there should be a review group which has access to those who are detained. The only question is whether this review group should be established under federal legislation or by the provincial government which has the responsibility for the administration of justice under our constitution.

As I understand it, the provincial government of Quebec has already established a review group. That

review group has functioned under the War Measures Act and has pretty well established its independence. In effect, the amendment proposed by the opposition indicates a lack of confidence in the administration of justice in the province of Quebec and a lack of confidence in the government which, under the constitution, has been given the responsibility for administering justice in that province. We do not share that view. We do have confidence in the administration of justice as carried out by officers in the province of Quebec.

Mr. Lewis: It made the War Measures Act necessary.

Mr. Wahn: As I understand it, we do not accept the amendment as proposed by the opposition.

Mr. Murphy: Mr. Chairman, as pointed out by the hon. member for St. Paul's, members on this side of the House are as concerned, I am sure, as members on the other side. I, too, feel that there should be a review board but I cannot accept the amendment offered by the hon. member for York South.

Mr. Lewis: Rewrite it.

Mr. Murphy: I am going to suggest that if you give me a moment.

Mr. Fairweather: You want to clear it in caucus first.

Mr. Murphy: I cannot accept the proposition that any review board should have the power to determine whether the people arrested should be freed. In giving the board that power we would, in effect, be giving them the power of a court.

Mr. Fairweather: Exactly.

Mr. Murphy: I cannot accept your proposition that such a board should determine whether people detained or arrested should continue to be detained. This, too, suggests that the board should have the power of a court of law. My view of federalism is that the provincial governments cannot exercise the powers granted under this bill unless those powers have been granted specifically to them. Surely, if we have the authority to give them that power, we must also have the authority to put certain restraints on it.

Mr. Stanfield: The responsibility.

Mr. Murphy: I would be prepared to accept a review board which would have the power to interview persons arrested under the act to ensure that they have had access to counsel and have been given an opportunity to contact their families.

Mr. Fairweather: We are getting close to it.

Mr. Woolliams: I wonder if the hon. member would permit a question before he sits down? He sat down.

The Deputy Chairman: Order, please. As the committee must now proceed to the consideration of private members' business, it is my duty to leave the chair.

Progress reported.

[Mr. Wahn.]

BUSINESS OF THE HOUSE

DEFERRAL OF TIME FOR FILING OPPOSITION MOTION—SUSPENSION OF PRIVATE MEMBERS' HOUR

Mr. G. W. Baldwin (Peace River): Mr. Speaker, there have been some consultations through the usual channels about the procedure for tomorrow and Thursday and it is likely that there will be an opposition motion by this party which will affect both days. While there is no wish to inhibit the course of this very serious and important debate, if it should appear later on this evening that the bill might be concluded with reasonable dispatch tomorrow, we would not want to take that opportunity away from the House. This is a prelude to my asking the leave of the House to suspend until ten o'clock this evening the right to file the usual notice under the appropriate Standing Order, for an opposition motion.

I have discussed this matter with other hon. members. I think it is quite well understood and that everyone will accept it.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I am prepared to agree with the suggestion without having investigated all the implications that may flow from it. I hope there are none that have not been brought to my attention. There seems to be a disposition on the part of the members of the House to proceed with and complete the committee stage, perhaps even third reading, of Bill C-181.

• (5:00 p.m.)

Perhaps we could also request unanimous consent to defer private members hour today, so that we could proceed with this bill. Hopefully, we shall come to the point of knowing, with certainty, what is to happen tomorrow. We are prepared to designate both tomorrow and the next day as opposition days. If deferring by a few hours the time when the motion ought to be filed would be helpful in this situation, we would be glad to agree.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, at this point I rise merely to say that we are prepared to agree to the request of the hon. member for Peace River (Mr. Baldwin) namely, that the members of the official opposition shall have until ten o'clock tonight to file their motion for the next two days. I refrain from commenting on the other point because, it seems to me, it is a matter for the hon. member for Hillsborough (Mr. Macquarrie) to consider.

An hon. Member: A great Canadian.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I only want to say that we are prepared to agree to the suggestion of the hon. member for Peace River (Mr. Baldwin), providing that we are acquainted early enough and in the usual manner with the contents of the motion he would like to bring before the House tomorrow.

[*English*]

Mr. Baldwin: Mr. Speaker, the hon. member for Hillsborough (Mr. Macquarrie), who would have taken up the initial part of private members' hour with that distinction which has always marked his speeches in the House, has agreed. I think, if he had proceeded with his proposal regarding Sir John A. Macdonald Day, he would have shown that one of the characteristics of that distinguished Father of Confederation was that form of tolerance which the Minister of Justice (Mr. Turner, Ottawa-Carleton) has not displayed so far in this debate. After having made those preliminary remarks, I say we are prepared to consent.

Mr. Speaker: There seems to be consent and agreement for adopting the numerous proposals which have been made by the various members who have taken part in this debate. It is so ordered.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Before we return to committee of the whole, may I draw to the attention of hon. members that the following matters will be considered if and when there is an adjournment debate later today. The hon. member for Winnipeg North Centre (Mr. Knowles)—Pensions—Old age security—Action on increase before Christmas; the hon. member for Battleford-Kindersley (Mr. Thomson)—Broadcasting—Performance of North Battleford satellite television station; and the hon. member for Vegreville (Mr. Mazankowski)—Grain—Production and receipts policy—Farm consolidation program.

GOVERNMENT ORDERS

PUBLIC ORDER (TEMPORARY MEASURES) ACT, 1970

PROVISIONS OF EMERGENCY POWERS FOR PRESERVATION OF PUBLIC ORDER

The House resumed consideration in committee of Bill C-181, to provide temporary emergency powers for the preservation of public order in Canada—Mr. Turner (Ottawa-Carleton)—Mr. Laniel in the chair.

The Deputy Chairman: Order, please. The House again in committee of the whole on Bill C-181, to provide temporary emergency powers for the preservation of public order in Canada. Is the committee ready for the question?

Mr. Orlikow: Mr. Chairman, in asking parliament to adopt this bill the Minister of Justice, on behalf of the government, is asking the people of Canada to adopt the kinds of controls to which we have never agreed in peacetime in the history of Canada. Part and parcel of this bill is the right to search, the right to arrest without warrant and the right to hold people without permitting them to contact their families or counsel. We, in our party, have been criticized because we voted in support of this bill on second reading. We did so because we felt that this was a lesser evil than the War Measures Act and because we thought that the minister, in the light of his statements and expressions of the past couple of years which tended to show, as my colleague for Calgary North suggested, that the minister was a progressive sort of person, would accept reasonable amendments. Mr. Chairman, the longer this debate continues the more it becomes obvious that we were wrong in our judgment. By refusing to approve any and every amendment, the Minister of Justice is asking parliament to approve a bill which lays down the stringent conditions I have enumerated very briefly. And, not being satisfied with that, Mr. Chairman, the minister suggests that the federal government and Parliament should thereafter wash their hands of the bill and permit the attorney general of one province to administer it.

When the amendment proposing an independent review committee was brought in, the Minister of Justice tried to argue that the amendment was not necessary because the Attorney General of Quebec had already agreed to the establishment of a committee which, according to the Minister of Justice, had the powers which this amendment would give to such a committee. Actually, that committee has no power under the law. That committee can only do those things which the Attorney General of Quebec permits it to do. The Attorney General of Quebec can pay to it as much or as little attention as he chooses.

Mr. Woolliams: That is right.

Mr. Orlikow: I will not go into the record of the operations of the present government of Quebec under the provisions of the War Measures Act. I say to the Minister of Justice that if he is not disturbed about some of the proposals which have been made by the Attorney General of Quebec, he is possibly the only so-called Liberal in this country who is not disturbed.

Let us look at the speeches and statements which the Attorney General of Quebec has been making. He has proposed that every citizen of Quebec be required to carry an identity card. I presume that means photographing and fingerprinting and everything else that goes towards making up a real identity card. He has implied that the freedom of the press may need to be restricted. He has also implied that the fundamental and traditional freedoms which citizens of Canada have enjoyed ever since there has been a country may have to be restricted.

I for one, Mr. Chairman, am not prepared to vote for a bill which would give some other person, the Attorney General of Quebec, the right to restrict the rights of citizens in Quebec in the way in which the present Attorney General of Quebec has indicated. The Minister of Justice may have a very short memory; I suggest that the Prime Minister and the Minister of Regional Economic Expansion ought to have better memories. This is not the first time the people of Canada and the people of Quebec have had to deal with attorneys general who thought that there were reasons—good reasons so far as

they were concerned—for restricting the rights of the citizens of their province. I remind the members of the committee and the Minister of Justice that the former premier of Quebec, Mr. Duplessis, was also the attorney general of Quebec. Under his régime we had the padlock law in Quebec. Under his regime in Quebec the asbestos strike was smashed, with the use of police, in a bloody way. Under his regime we had the strike at the Gaspé copper mines in which the present Prime Minister was involved.

• (5:10 p.m.)

We have had varying experiences with the attorneys general of Quebec. I am only talking about Quebec because this bill will have effect, at present at least, only in Quebec. When Mr. Duplessis was carrying on as he did, when Mr. Duplessis was passing the padlock law, he had virtually the unanimous approval of the press and of the legislature of that province. As I say he enjoyed, virtually, the unanimous approval of the press and the approval, or at least their acquiescence through silence, of the Members of Parliament from Quebec. We, who are not in Quebec, are being told not to pay any attention to all these things. I wonder if the Prime Minister would change his views about the kind of regime they had in Quebec when Mr. Duplessis was premier? I wonder whether the Minister of Regional Economic Expansion, who lived through the days when these things were taking place in the province of Quebec, has forgotten what Mr. Duplessis did? Have they asked themselves what Mr. Duplessis could have done in that province had there been the legislation that is being proposed today?

Mr. Béchard: That regime is gone.

Mr. Woolliams: What makes you think other human beings are better today?

Mr. Orlikow: We have the usual objections from the silent members from Quebec whose only purpose in Parliament is to stand up to vote when told how to vote. I will not be very long. I will then be happy to hear from the Parliamentary Secretary or the hon. member if they would like to defend Mr. Duplessis. The Parliamentary Secretary shakes his head. I say to him that the legislation being proposed today is foursquare with what Mr. Duplessis did during his time. Because I feel this way, I have no intention of voting for this bill.

The Minister of Justice will not accept any amendment which calls on the Attorney General of Quebec, or any other province which may have to use this legislation, to keep in mind the democratic rights of their citizens. The Minister of Justice has shed the liberal views which he expressed so often with regard to bail and the right to counsel. I do not agree with terrorists and separatism, but people have a right to say what they think. They do not have the right to kidnap people, kill them or plant bombs, but in this country they have the right to say what they think. This bill will help certain groups in Quebec which do not believe that people have this right and want to put the clamps on them. I do not support that feeling.

[Mr. Orlikow.]

I wish to record some thoughts of a man who is much more eloquent than I, although unfortunately he seems to have changed his views. I wish to read some views which he held before entering politics. I will quote from the November 14, 1970 issue of the Winnipeg *Free Press*. It contains a summary of a book which will be published shortly by the *Oxford University Press*. The name of the book is "Approaches to Politics". By whom was the book written? It was written by our Prime Minister, Pierre Elliott Trudeau. I am quoting for the benefit of the members from Quebec and the Liberal backbenchers who feel certain that what now is being done is right and necessary, namely abridging the freedoms of their people:

> Democracy recognizes that one person may be right and ninety-nine wrong; that is why freedom of speech is sacred. The one person must always have the right to proclaim his truth in the hope of persuading the ninety-nine to change their point of view—
>
> One can say that the power of government rests on a psychological disposition on most people's part that it is good to obey and bad to disobey. Why is this belief so universal? Partly because the majority seek only their own comfort and pleasure: When those ends are assured, they ask no more than to conform to a given social order and to obey political masters who work to maintain that order. Few men are aroused by injustice when they are sure of not being its victims themselves.

If that is not a classic illustration of what is going on in Quebec today, and how the government of Quebec is dealing with the situation, I have not heard of one. I wish to read another short paragraph:

> Citizens must take care to delegate to (the state) no more authority, no more force, than are strictly necessary to establish a just social order, protect that order from harm, and make sure it will progress.

I suggest that the government is not heeding these words of the Prime Minister because they are giving the government of Quebec a great deal more power than is necessary or wise.

[*Translation*]

Mr. Laflamme: Mr. Chairman, I would merely point out to the hon. member who has just resumed his seat that when the Minister of Justice (Mr. Turner) was speaking about federalism a few minutes ago, he also meant no doubt the respect of the rights and powers of the provincial ministers and premiers.

Mr. Chairman, I agree with the hon. member for St. Paul (Mr. Wahn) that even though the motion moved by the hon. member for York South (Mr. Lewis) seems to show a real concern for justice, nevertheless it is a sort of insult and reflects a desire to control the Quebec Minister of Justice, casting doubt as to his ability and authority to administer the legislation he is responsible for.

Despite the good intentions expressed a while ago by the Leader of the Opposition (Mr. Stanfield), what is basically wrong with this motion is that the federal government is trying to say to a provincial government answerable to its electors: Gentlemen, we are going to control you, that is, subject you to the control of a group which, even though independent—

An hon. Member: Oh, oh!

Mr. Laflamme: Perhaps my hon. friend does not agree with me but it is nonsense to say to a minister responsible for the administration of justice in a province: "We do not think that you have the legal capacity and the authority to act; there may be abuses in the discharge of powers which you are responsible for administering under the constitution and instead of you, who are responsible before the Quebec National Assembly and the voters, we would rather deal with a group of individuals, of public servants who are not responsible before the people".

This is the true meaning of the amendment and this is why, Mr. Chairman, I suggest that under the cover of these good intents, what is at stake is the lack of confidence in the capacity of the Quebec Minister of Justice to administer the laws of this country.

[*English*]

Mr. Baldwin: I wish to comment briefly in response to the remarks of the hon. member. I think he has placed his finger on the defect in the argument that has been made from the other side, that we are giving to the Minister of Justice of the province of Quebec powers for which he does not have constitutional responsibility in the usual exercise of his duties. Parliament is being asked to give him extra judicial, extra curricular powers in lieu of a judge.

Under our system of jurisprudence and criminal law, it has always been the courts which decided whether, in the circumstances, bail should be granted. By giving the Quebec Minister of Justice the right to file a certificate, we are giving him the right to decide whether there is just cause for detaining a person in jail, over and above the usual causes. These powers far exceed those he inherited when he took office, and in these circumstances responsibility lies upon us to make sure there is accountability for the exercise of these powers. We recognize that certain individuals are invested with authority by the people of a province; there are those who exercise authority as members of a cabinet. This is a situation we accept. But we are now being asked to delegate extraordinary powers which do not normally fall within the ambit of any member of an elected government, powers usually exercised only by judges who are appointed for life and who have a special responsibility to sit in judgment upon their fellows.

• (5:20 p.m.)

When this authority is given to a minister, I think we can do nothing less than make provision for these elected officials to account for what they have done. Remember, the minister of justice of a province is a human being, subject to making a misuse of his powers, in the same way as the Minister of Justice, or myself, or anyone else. No human being can be excluded from the possibility that he will misuse extraordinary powers. Surely, it is not asking too much when we proposed that a commission or an administrator be set up to scrutinize the manner in which these extraordinary powers are exercised, nothing more and nothing less. If they feel we have gone too far, I ask the government to tell us how far they are prepared to go.

Mr. Alexander: I have not taken an active part in this debate, feeling that those on both sides of the Committee who have advanced arguments have done so admirably. We are not concerned at this moment with whether a person, be he the Minister of Justice for Quebec or the Minister of Justice for Canada, is to be trusted or not. We are concerned about human frailties, frailties which become more pronounced in times of stress. When we consider what we are being asked to do now in terms of conferring extra powers, I believe we must of necessity impose some kind of a safeguard, whether those suggested by the New Democratic Party or those which will be suggested on behalf of this party. I am not particularly interested in the mechanism; possibly something could be done on the basis of the principle which, I believe, has been accepted by the hon. member for St. Paul's and by the hon. member for Sault Ste. Marie.

It seems to me the lawyers among us are beginning to clear away some of the haze. What is happening is beginning to stir their consciences as members of the bar trained in the law with a duty to seek justice not only for those who are innocent but also for those who are guilty.

It is time for us to assess what we are being asked to do. We supported the invocation of the War Measures Act and its regulations on the understanding that legislation would be introduced to meet the particular circumstances. In so doing, we had expected the government would show a reasonable attitude toward proposals and ideas which would be advanced from this side of the chamber so as to produce legislation which would truly reflect the wishes of this grand body. It seems to me that what we have been witnessing has been an exercise in frustration. Surely the minister realizes that the extra powers we are asked to confer are of such a nature that abuse could arise because of human frailty, yet for some reason he is reluctant to move in this area of law reform, though it is precisely his interest in this field which I have admired in him as he goes across the country speaking. Apparently he is not prepared to accept safeguards, and I find this attitude wholly unrealistic, wholly inconsistent with what he is preaching in the land. I cannot understand it. I do not doubt that this legislation is needed. But in its present form it is loaded to an unprecedented degree in favour of peace officers, in favour of the Crown, in favour of the Attorney General and in favour of the Government of Canada.

It has been said that with the invocation of the War Measures Act, Canada will never be the same again. I hope we have not reached a point at which, in attempting to protect the innocent, we have not forgotten about their rights entirely. Someone has to be the conscience of the government if we are to be consistent with the new thinking of the Minister of Justice, if we are to be consistent with our democratic way of life, if we are to be true to our democratic institutions. It is all very well for the minister to say that his responsibility ends with the proclamation of this measure and that its administration can be left to someone else. Surely, this is not a realistic attitude. I trust he will take into account the views of those who have spoken earlier on this subject.

My good friend from Sault Ste. Marie is a lawyer of great capacity. He has made a marvelous contribution to the Justice Committee, as the Minister of Justice knows, and I was glad to see him stand up, because I know his conscience is beginning to bother him. I hope the minister will give serious consideration to this plea which comes not only from the opposition but from members of his own party who believe that some amendment of this measure is needed. I trust he will consider it with sympathy and understanding because, in my view, to ignore it would imply a grave lack of judgment; it would be a serious error.

As I said earlier, I am not particularly concerned about the form the amendment might take. Very often I do not like to think that the government is in possession of all the expertise, with the help of its advisors, but in this case the minister has all the facilities he needs at his disposal. Let the government come up with something it thinks is reasonable in terms of a review of the administration which will be acceptable. Let it come up with something that will show it is not only worried about those who are guilty but also about those who through abuse and the overzealousness of police officers may be affected although innocent.

• (5:30 p.m.)

Mr. Orlikow: Mr. Chairman, I cannot do as good a job in outlining the tremendous dangers which will exist as a result of this bill as the hon. members for Peace River, Calgary North and York South. I do not want to repeat what they have said. I rise simply to reply very briefly to the hon. member for Montmorency. The hon. member implied that because I was critical of the Attorney General of Quebec, I somehow was doing him an injustice. I have not seen a newspaper in Canada which has not editorially been extremely critical of the proposals and suggestions the Attorney General of Quebec has been making.

I do not question the right of the Attorney General of Quebec to propose any legislation which comes within the jurisdiction of the province of Quebec. I do not question the right of the government of Quebec to pass that legislation because, after all, in our democratic society the people of Quebec at a future date will indicate, by their support or rejection of the government, what they think of the measures the Attorney General of Quebec brings forward in the way of legislation. I would not presume to question what the Attorney General of Quebec wants to do in Quebec when it is within his jurisdiction.

What we are being asked to do is pass legislation which has never before existed in Canada; legislation which restricts and limits the rights of the people of Canada or, at the moment, of those in the province of Quebec. The Attorney General and the police in Quebec will administer the law and look after the regulations. People laughed yesterday when we read that the police—I do not know whether it was the Montreal police, the Quebec provincial police or the RCMP—were asked to pick up a 21-year old man whose name happened to be Gerard Pelletier, and went to the house of the Secretary of State. I am not one of those who always criticizes the police but that to me indicates some lack of judgment, and that is putting it mildly.

Mr. Knowles (Winnipeg North Centre): Oh!

Mr. Orlikow: If that happened to me I would be unhappy, to say the least. This is the kind of power we are being asked, through this legislation, to give the Attorney General and the police in the province of Quebec. If we are to live with our consciences in the future and not have the feeling that we have done something which will be detrimental to the people of Canada for years to come, the least we can do is provide for an independent committee or commission which will have the power to look after and protect the rights of citizens who are affected.

We are told this is a bad amendment because by adopting it we would write into a future statute a restriction on a provincial attorney general. Surely, since it is a federal statute we are being asked to vote upon and endorse, we have the right to do that. Surely it would not be too much to ask the Minister of Justice to say to the Attorney General of Quebec, "If you want this kind of legislation and if you need it, we are prepared to bring it in; but we think you ought to have this kind of committee." This would not be a committee set up by some kind of verbal or written order on the part of the minister, which he could revoke tomorrow, next year or whenever it suits him, or the moment the committee starts being critical of him. Surely the Minister of Justice should say to the Attorney General of Quebec, "If you want this legislation you must write into your statutes the provision that there will be an independent committee."

I do not think we would quarrel about the three people who might be appointed. Certainly we would not quarrel about the appointment of Mr. Hébert. I would be prepared to accept the view of the Attorney General of Quebec and the Minister of Justice that it was a good committee. But let us have written into the law of the province that wants to use this legislation which we as Members of Parliament are being asked to approve that there will be an independent committee. Then if people's rights are infringed, if they are held too long and are not permitted counsel, talk to their families or have books and newspapers to read, the committee will have the power to do something other than just plead with the Attorney General of the province.

We are told that this committee might take the place of the courts, but that is not true and the members who put forward that argument must know it is not true. We are concerned that this bill takes from the courts the traditional rights the courts have always had. A lawyer representing an accused who is being held can go to the courts, as they did in Montreal last week, with a writ of habeas corpus asking the judge to protect the rights of the person involved. After listening to argument on behalf of the Crown and the defence, the court can decide whether the person ought to be released on bail. We are not questioning the right of the courts to do that; we are saying that this bill sets down conditions under which the courts will not be able to fulfil the judicial function they have had since the beginning of this coun-

try. It is that kind of thing which I am not prepared to support. The hon. member for Montmorency may be prepared to support that kind of repressive legislation, but I am not.

Before I sit down I would urge the Parliamentary Secretary, who so noticeably disagreed with my comparison of this legislation with the kind of power a former Premier of Quebec, Mr. Duplessis, assumed and exercised, to get on his feet and tell me publicly how I am wrong and how this legislation differs from the kind of power Mr. Duplessis so effectively used so anti-democratically in years gone by.

Mr. McCleave: Mr. Chairman, at the conclusion of my remarks I shall have a suggestion for the Minister of Justice regarding the point that is now being pursued. First I should say that I am one of those, and my colleagues pretty well joined with me, who agreed beforehand that when we entered this debate we would treat this as emergency legislation and emphasize that aspect of it. Up to now I suggest we have done so. Perhaps that is why the civil rights aspect of the matter has not been dealt with by the opposition as fully as would normally be the case. In that regard, when the long-range legislation comes before us to replace this legislation which will expire next April, there will be far different emphasis placed by the opposition on the things in this bill which will undoubtedly be carried over into that legislation.

• (5:40 p.m.)

I say that until now, we have treated this as a serious, emergency matter. The fact that a man I knew in Halifax, Mr. Cross, is still held somewhere in the province of Quebec by terrorists, and is held successfully despite tremendous police and armed forces searches, to me indicates we are dealing with a conspiracy that is not the fly-by-night work of amateurs but the work of experienced, skilled and resourceful persons. I have had that thought very much in mind throughout this whole debate, even though sometimes it is pretty hard to believe it is a serious matter when we do not see the galleries filled with people, or when the Prime Minister of this country is away from the House so much during what we are told is a period of tremendous national crisis. I can accept those things, however, because I knew Mr. Cross and I know he is still held somewhere against his will and is being used as a pawn in a very dangerous game in which all Canadians have a stake.

These are the questions which have prompted many of my colleagues and myself to become involved in this somewhat drawn-out debate. It has been drawn out much beyond the time we expected. Last Friday, for example, I believe the official opposition took up five or seven minutes to deal with points which we knew had not been dealt with already. We were not inclined to take up the time of the committee. But, sir, when we have a point we can dig in our heels as well as others. This heel-digging is on the matter of the awesome powers to be granted the Attorney General of the province of Quebec.

In effect, the government of Quebec has come to Ottawa and asked that we provide an extraordinary police force for use in that province. The whole tenor of this legislation is that the administration of law and order in the province of Quebec is to be beefed up by an almost superhuman pouring in of resources from all parts of Canada. We have been good enough to give the Attorney General and the Premier of Quebec those powers and those resources without quibbling. No one has said the army or that extra Royal Canadian Mounted Police should not be there. As a matter of fact, the reverse has been the case. I recall the leader of the New Democratic Party a few days ago asking whether the RCMP had been withdrawn. He was told they had not been withdrawn.

We do not mind the federal government or the provinces coming in to help the authorities in Quebec during a critical period. No one has quarrelled about this at all. But there must be limits. The Minister of Justice himself imposed one limit when he did not invoke the regulations of the War Measures Act for ever and a day and when he did not word this legislation in such a way that it would be in effect for ever and a day. There is an expiry date in this legislation. Therefore I must say to myself that somehow the authorities of the province of Quebec and the minister got together to discuss the type of regulations that should be passed, and the Minister of Justice told them he would put a time limit on the regulations. I think that is a fair inference to be drawn from what has gone on; otherwise why that time limit was imposed, would be incomprehensible to any sensible mind.

We are dealing with ideologies of a terrorist movement. This movement will not come to an end by the time this legislation expires next April. We will not be able to put the gravestone on it by next April. It will still be there; the problem will still remain, albeit in an altered form because of the steps we are taking now. In other words, I am saying that the minister has recognized there should be some limit on what was requested by the Bourassa government in Quebec and certain limits have been imposed. Not all the bite there could be has been put into this legislation or the predecessor regulations. There are still some restraining influences.

We have dealt with the difference between the word "reason" used in this bill and the words used in the Criminal Code. The word "reason" represents a restraining influence. Therefore, the Minister of Justice and the government have decided these powers should not be absolutely unfettered but that there should be limits on what the government of Quebec is able to do with this massive federal outpouring of help into the province at this critical time. It is as simple as that. There are some restraints on the powers. There is a restraint on the time this bill will be in force. That was a decision of the government. Why, then, can we not make suggestions concerning one further restraint which is not a very large one?

We suggest there should be power of review so that the methods of operation of police forces which kick in the door of the Secretary of State or arrest a person because he has the same name as another person could be examined. It is ironic that the two abuses which have

been drawn to our attention involve identity. The Secretary of State apparently has the same name as someone who is wanted, and a person who was picked up in Hull has the same name as somebody else who is wanted. This would lead one to wonder how prepared the administration in Quebec was to deal with this problem.

The case for some provision in this respect has been made over and over again by hon. members. Even members on the other side have now joined us, such as the hon. member for Sault Ste. Marie, one of the adornments of the Justice Committee, and the hon. member for St. Paul's who I believe is close to being skeptical of the intransigence of the minister. There are others, because one would expect that within the ranks of large "L" Liberalism there would be some with small "l" liberal consciences.

Mr. Fairweather: They are well hidden.

Mr. McCleave: Perhaps they are; but because of these extreme measures the hon. member for Sault Ste. Marie has started to burst the bonds and perhaps we will hear more from others. We are not asking for much; we are asking for some kind of hobble to be put on the otherwise wide open, loping gait of the Attorney General of the province of Quebec. We want him to come back to earth and run properly once in a while. We are suggesting that there should be a provision such as that contained in the amendment of the hon. member for York South, the amendment of the hon. member for Calgary North, perhaps a compromise of the two or one that the minister himself could bring in. We have good and serious reason for asking for this.

We are surprised that the Minister of Justice, who normally is a most affable person and accepts amendments not only in the Justice Committee but in this House, will not accept this amendment. I do not know who in the cabinet committee has some power over him so that he can only say no; perhaps it is the Prime Minister. We hope he will unflex a little when we are bringing in perfectly reasoned amendments and putting forward a perfectly reasoned point of view.

• (5:50 p.m.)

Since the minister makes much of the fact that we must not question Mr. Choquette in Quebec city, why does he not call Mr. Choquette over the supper hour and say, "The House of Commons is debating the matter of the large police force we have sent you, the regular army and the extra RCMP, and some questions are being put. We cannot understand why the door of the Secretary of State should have been kicked down, how the guys remained in the clothes closet when young Lortie was picked up, and things like that. Perhaps you could suggest something". Perhaps the minister could put this on a friendly basis, because he is a friendly and amiable man, and have this man-to-man conversation.

We do not want him to call on Mr. Choquette humbly, and I do not think the latter would answer the Minister of Justice humbly, but perhaps the minister could suggest to him that we are faced with the problem that we do not want high, wide and handsome or hell-west and crooked powers given to the government of Quebec; that we are not inclined to do that, despite the mutterings of the hon. member for St. Boniface which I cannot quite hear. They would probably not educate me but I would like to know what is being said, if it is going on the record, because sometimes one does not hear remarks and these inane things get there anyway.

I suggest to the minister that he call Mr. Choquette and point out to him the honest dilemma in which we find ourselves. Perhaps Mr. Choquette will have an answer. Perhaps we can put a federal presence in the committee of three from the city of Montreal; but that in itself may not be a good solution. However, I suggest it might be a good idea to have a federally-appointed authority which would supervise. We provide the bodies so at least we should have some say as to how they are used. I make that suggestion perfectly seriously to the minister in the hope that his gentlemanly flexibility will come back to him and that he will be able to give us some comfort when we raise a serious issue of conscience at this important time.

Mr. Broadbent: Mr. Chairman, I want to make two points briefly. One is an elaboration of the argument put forward by the hon. member for Peace River. He pointed out correctly that the point made by the Minister of Justice about the criminal law being administered by the Attorney General of Quebec is politically inappropriate in this context, that we are creating in Ottawa an extraordinary set of laws which extend the powers of search, of arrest, of detention, and so on. This is a federal act that does not fit within the normal ambit of the Criminal Code. It is creating extraordinary powers for a given period of time. It seems to me that this argument justifies accepting the amendment before the committee.

The point I want to make is a political one. If we are seriously concerned about what may be called the civilized and democratic leadership in the province of Quebec, we as the federal Parliament have a very important obligation to create a body that would supervise the implementation of these extraordinary new powers being bestowed upon the Attorney General and the police forces of Quebec. I say this because it is what I call the civilized and democratic leading element in the province of Quebec that has been most vocal in its criticism of the federal government, and it is mainly this group of French Canadians in the province of Quebec that should concern us very much. It is they who are pointing the finger at Ottawa and saying, "There are your centralizers, your authoritarians. It is Ottawa that is taking away French Canadian freedoms in general". It seems to me that this political argument has to be faced very seriously.

If the federal government is to impose the kind of restrictions it is imposing upon the province of Quebec—restrictions with which, I should point out, I do not agree at all—we have an obligation as the federal Parliament to propose the establishment of a supervisory commission which will ensure the fair implementation of these new laws. That is one point with which I would like the Minister of Justice to deal. If this matter is entirely from people such as Claude Ryan, leaders of the CNTU,

university professors and many other people who have a genuine commitment both to democracy and to the province of Quebec and who will be saying, "There they go again. The government in Ottawa letting us down in this important question of civil liberties".

The second point I want to make—and it is quite different—concerns the attitude of the Minister of Justice toward all our amendments. I heard earlier this afternoon on what I can reasonably call very good authority that when this bill was discussed in cabinet a decision was taken not to alter one semicolon: no amendment was to be accepted. I was told that the instruction given to the Minister of Justice was that nothing whatsoever was to be accepted in the way of amendment. If this is the attitude of the cabinet and of the Minister of Justice, we are doing two things that should not be done: we are using up valuable time in Parliament—

The Deputy Chairman: Order, please. I regret to interrupt the hon. member, but it being six o'clock I do now leave the chair. The committee will resume at eight o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Order. When the committee rose at six o'clock it was dealing with clause 12 and an amendment thereto by the hon. member for York South.

Mr. Broadbent: Mr. Chairman, before the supper adjournment I was relating that I had heard from a good source that it had been decided in cabinet not to accept any amendment to this bill, even to the point of not changing a single comma or semicolon. I put it to the Minister of Justice that the attitude he has revealed during the serious discussion of amendments put forward from all sides of the House seems to confirm that story about the cabinet decision.

I would like him to reply to this suggestion because if it is true that before the bill was introduced it was decided that no changes would be acceptable, two conclusions can be drawn. The first conclusion is that this procedure would completely vitiate the whole purpose of the committee stage of a bill, which is supposed to provide an opportunity for amendments which would not change the basic intention of a proposal. Many amendments have already been presented which would not change the basic proposal of this bill and which were aimed at providing certain protective guarantees for innocent people, but the minister has either cavalierly dismissed them or resorted to the most arid kind of legalistic arguments in defence of his position.

What is particularly bad is that a bill of this nature should be so treated. It would be bad in general to operate on this basis during committee stage of a bill, but on committee stage of a bill which so transforms the state of civil liberties in Canada it is particularly reprehensible that such a rigid attitude should be taken by the minister and/or the cabinet toward the members of this House and therefore toward the people of Canada.

Before we spend the rest of this evening and conceivably all of tomorrow in debate, or in the event that we adjourn the debate until next week to continue it for another day or two, would the minister please tell us if we are wasting our time, because if we are we might stop this discussion. Let us get on with other business that should be before the House concerning problems facing the country. We should not be talking just for the sake of talking on amendments. I would like to hear what the minister has to say on this point.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, despite the sense of frustration expressed by my colleague, the hon. member for Oshawa-Whitby, I dare to express the hope that the Minister of Justice is a reasonable man.

Mr. McCleave: He is unreformed, Stanley.

Mr. Knowles (Winnipeg North Centre): Well, maybe my approach will not work, but I am still going to try it. I am still going to believe that the Minister of Justice is a reasonable man and that he will listen to the kind of appeal that is being made to him from this side of the House with respect to the amendment proposed by the hon. member for York South. May I remind the minister and hon. members who are present that when the Prime Minister told the House on October 16 about the proclamation of the War Measures Act, he made this statement which is to be found at page 195 of *Hansard* for that date:

> To those who will voice concern at the extent of the powers assumed by the government under this procedure, I can only say that I sympathize with their attitude, and applaud them for speaking out.

In other words, Mr. Chairman, in speaking out about the powers given to the government we are only doing something that the Prime Minister himself applauds. He went on to say:

> I hasten to suggest, however, that the legislative record of this Parliament in the field of individual liberties contributes unequivocally to its credibility and good faith.

In other words, Mr. Chairman, the Prime Minister gave as a justification for the resort that the government was making to the use of extreme powers the fact that this Parliament's record with regard to individual liberties is one that has established its credibility and good faith. What we are asking in this amendment to clause 12 is for Parliament to maintain that credibility and good faith.

In case the Minister of Justice is tempted to say to me that those words of the Prime Minister applied to the proclamation of the War Measures Act and to the regulations brought in thereunder, whereas we are now dealing with a bill to take the place of all that, may I remind him of what he said when he introduced Bill C-181 on November 4. I shall quote a few of his words from page 884 of *Hansard*. I am overlooking two or three pages

before that. These are the words of the Minister of Justice on that occasion:

• (8:10 p.m.)

I say to Your Honour that those of us in the government did what we had to do with great reluctance. We did what we did because it had to be done. Some of the measures we have had to adopt in the short run and for a short term are philosophically abhorrent to us.

This is the Minister of Justice telling us that the things the government felt it had to adopt as set out in this bill are philosophically abhorrent to members of the government. He went on to say:

We intend as soon as we can to turn once more to the road of law reform and the continuing enhancement and protection of civil liberties.

Mr. Chairman, I urge as strongly as I can that no particular credit is due to any government or to any Parliament which asserts that it is protecting civil liberties when there is no storm, when there is no difficulty. What counts is what you do when the storm is on. Civil liberties that are protected when all goes well are just run-of-the-mill. It is a government or a Parliament that will protect civil liberties when there is fear and hysteria, when there is the argument of necessity and convenience, that has something of which it can boast.

I plead with the Minister of Justice to stand by the statement of the Prime Minister, that he counts on the legislative record of this Parliament in the field of individual liberties. I call on him to stand by his own words, that he wants to get back to the continuing enhancement and protection of civil liberties as soon as possible. It is no promise of any value and it is no guarantee at all to tell us that this will be done when all our troubles have melted away. If the Prime Minister and the Minister of Justice meant those words, let them show it by their attitude toward this amendment.

I for one am not persuaded that we now need Bill C-181. I might concede to the government an argument on its side with respect to what it did on October 16. I did not agree with the course the government took, but I concede an argument on its side. However, I submit that the only argument that had any weight was the need for surprise, the need to do certain things right away. That necessity has disappeared and there is a strong argument today for doing away with the proclamation of the War Measures Act and for suspending this bill and not going any further with it.

If the government is not persuaded to do that, then I say the least it should do is stand by its own philosophical protestations. It should stand by its own statement of high principle as expressed by the Prime Minister and the Minister of Justice. It should see to it that in the administration of this legislation which is abhorrent and repugnant to the government there is a leaning over backwards to protect civil liberties.

What is asked in this amendment is that there be an independent commission with the rights, powers and obligations set out in the proposal made by the hon. member for York South. It is an attempt to keep alive the credibility and good faith of this Parliament that the Prime Minister talked about on October 16. If we do not do that, Mr. Chairman, then those words the Prime Minister used that morning were just hollow mockery. Here is our chance right now to demonstrate their credibility.

Like other members from this group and from the official opposition who have spoken, I am prepared to concede that the formula proposed by my colleague is not the only one. Maybe the formula proposed by the hon. member for Calgary North appeals more to the Minister of Justice, or maybe he himself has some other proposal. I urge very strongly, however, that we cannot bring in this kind of repugnant, abhorrent, repressive legislation, we cannot listen to the Prime Minister and the Minister of Justice say that they do not like it and applaud those of us who speak against it, that they want to get back to the maintenance of civil liberties, and then do nothing about it.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I hope the appeal made by the hon. member for Fundy-Royal, others in the Conservative party as well as in this party to the Minister of Justice before five o'clock had some influence on him, and that during the course of this evening he will admit that the hon. member for York South is making a reasonable request. I hope there will be a reasonable response from this minister who I still want to believe is a reasonable man.

The Deputy Chairman: Is the committee ready for the question?

Mr. Lewis: Mr. Chairman, as mover of the amendment I wish to take a few minutes to deal with the minister's argument. I for one resent the red herring that he dragged across the path and which the hon. member for Montmorency mentioned, namely, that this amendment is an expression of non-confidence in the government of the province of Quebec and in the Attorney General of that province. Mr. Chairman, I throw that back at the minister. If such a law applied to the New Democratic government of Manitoba and was to be administered by my friend the Attorney General of Manitoba, I would make precisely the same suggestion. It is of no consequence at all who the Attorney General is or what government is involved. It is of consequence that no human being is an angel. It is of consequence that none of us is free of the corruption of power and none of us is free of the abuse of power if we are put in certain positions. I do not care what government it is or what Attorney General it is—the same principle would apply.

The suggestion that we are insulting the government of Quebec in expressing non-confidence in Mr. Choquette is irrelevant, although let me add, Mr. Chairman—this has nothing to do with the amendment—that some of the suggestions that have come from the Attorney General of Quebec worry me very much as a Canadian. Some of the suggestions about identity cards and additional powers on a regular basis for the police of that province, some of the suggestions about censorship, and so on, which he is now making are very worrying to me. I remember Mr.

Maurice Duplessis and the Duplessis days. I hear uncomfortable echoes of the Duplessis-ism which the Prime Minister condemned 20 or 30 years ago. I hear uncomfortable echoes of Mr. Duplessis type of interference with civil liberty in some of the suggestions Mr. Choquette has made.

That is not the reason for this amendment, however. The reason for this amendment is that in my view and in the view of those who have spoken from this side of the House it is important to have this type of safeguard in the law. Like all members on this side of the House, I believe in federalism as much as does the Minister of Justice. I do not see how a country like Canada, large as it is, with regional interests and regional preoccupations, can be governed in any way but by an appropriate federal system. I accept that in any federal system the likelihood is that the day-to-day administration of justice would have to be in provincial hands: it is not practical to think that all police investigations across the country could be run from one centre like Ottawa, or that all the rules relevant to the courts in the provinces could be made in one centre. You cannot do that in a country like Canada, particularly when one of the provinces has a body of law that is different from that of the other provinces. That is accepted and no one is suggesting any interference with it.

• (8:20 p.m.)

It is a thoroughly bad and unacceptable principle to suggest that the Parliament which has the duty of passing a law has not the duty to make it the best law. That is what the principle is: we have the duty to pass a law; we have the duty to make it a good law. We must make it the best possible law. To suggest that we cannot do so because of some jurisdictional difficulty is to talk, in my opinion, utter irrelevancy. It is our duty in this Parliament to make this law as good as it is possible to make it. What does this mean in terms of this particular bill?

We have before us, as the government admits, as the Minister of Justice admits and as almost everyone admits, a bill that interferes seriously with the normal civil rights and liberties of Canadians. That is what this bill is about. This bill extends powers to police, extends powers to the Attorney General, enables arrests without warrant, enables search without warrant, enables detention without charge for seven days, enables the Attorney General to say, "This man shall not be let out on bail", and enables him to keep a person 90 days in jail before the authorities are forced to set a trial date. All these interferences with the normal rights and liberties of Canadians are what this bill is about, Mr. Chairman. It is a basic aberration of decent law.

An hon. Member: For five months.

Mr. Lewis: The hon. member for York Centre says, "For five months." One of my colleagues said it is all right to sin for five years but not for five months, or vice versa. That is not the point at all, Mr. Chairman. The point is that you do not need it for those five months. Nobody is suggesting that this amendment interferes with what the bill is trying to do. I say that it is an interference with the liberties and rights of Canadians. That being so, I suggest, as other hon. members have, that when we pass this kind of bill Parliament has the duty to adopt all possible safeguards to make sure that these extraordinary, undesirable, repugnant powers are not abused.

Some hon. Members: Hear, hear!

Mr. Lewis: And if we pass this bill without taking these safeguards, then all the talk about belief in liberty, all the books that the Prime Minister has written and all the speeches the Minister of Justice has made, are sheer, hollow hypocrisy. Therefore I suggest to you, Mr. Chairman, that it is important to have these safeguards. It is not a matter of wilfulness; it is a matter of absolute necessity to have safeguards that will avoid the abuses that I detailed before five o'clock this afternoon, and I could go on doing so for another half hour. We must avoid doing what has been done, because the abuses have been intense and painful in hundreds of cases—not in one, two, ten or twelve cases, but in hundreds of cases already in only six or seven weeks. Therefore, I just do not dare think of the kinds of abuses that could occur in the course of five months.

One obvious way to make sure that these abuses will not occur, that the extraordinary powers will be used as properly as possible, is to have some kind of supervision over the use of those powers. The Parliament that has the duty of passing this law has the duty of providing that kind of supervision. The reason I began my remarks when I moved the amendment this afternoon by saying that I have no pride of authorship and that I would be pleased if the minister would bring in his own wording was that, of course, there are various ways of approaching this matter. It is possible, for example, to say in the amendment that the Minister of Justice shall, with the consent of, in consultation or in co-operation with the Attorney General of the province affected, set up such a body to supervise the way in which these powers are exercised. It is entirely possible to do that.

It is also possible to say, for example, that this commission to be appointed by the Minister of Justice shall consist of citizens of Canada resident in the province affected. There are various ways in which it can be done and I invite the minister and members of the committee to suggest a way that will be satisfactory to all. It is possible to include the suggestion embodied in the amendment which I gather will be moved by the hon. member for Calgary North. He was good enough to send me a copy of it. It provides that an administrator—if I remember the amendment correctly, it is to be a judge—be appointed.

Mr. Woolliams: That is right.

Mr. Lewis: It is possible to include that provision. I do not care how it is done. None of my colleagues or, I believe, anyone on this side of the House cares particularly in which specific way it is done so long as it is done

within this law. It is no use saying that the Attorney General of Quebec has appointed a committee of three. I have not taken the trouble to look through *Hansard*, but may I be permitted to say that for a number of days there have been questions asked in this House about such supervisory authority. There were questions for a couple of weeks to that effect. I think the Leader of the Opposition asked a question about it. I remember I asked a question about it. Requests were made by church bodies in this country, including church bodies in Quebec, that that be done. Nevertheless, it took the Attorney General of Quebec a few weeks to appoint this committee and they were the worst weeks from the point of view of abuses because many of the abuses occurred in the first week or two. By the time this committee was appointed things were a little less abnormal than they had been during the first two weeks.

I suggest it was not accidental that time was taken before this committee was appointed. It was not accidental that the Attorney General of Quebec wanted a couple of weeks to pass with the police having complete freedom to do as they pleased and to abuse the powers of the regulations made under the War Measures Act—

Some hon. Members: Oh, oh!

Mr. Lewis: —as in fact they did.

Some hon. Members: Oh, oh!

Mr. Lewis: The Attorney General of Quebec, Mr. Chairman, wanted to give them this freedom for a couple of weeks and only after two or three weeks had passed did he finally yield to the request of church bodies, the Civil Liberties Association and members of this Parliament. No doubt there were messages sent through the Minister of Justice to the Attorney General of Quebec, and only after that length of time and after those pressures had been applied did he appoint the committee.

That committee has no powers. If tomorrow he decides he does not want it any more, if Jacques Hébert says something Mr. Choquette does not like, there is nothing to prevent his saying, "Speak to me no more, Mr. Hébert. Your committee is hereby dissolved," and it would be so dissolved. Or he could say, "You can go to jail, No. 1; but you cannot go to jail, No. 2. Why? Because I say so." There is no legal authority for what that committee does. The authority is only that which Mr. Choquette gives to it. He who gives can take away in that kind of system and in this kind of situation.

What we require, if we are serious about supervising the exercise of these abnormal and repugnant powers, is a provision in the law for such supervision as I have mentioned, so that neither the Minister of Justice, the Attorneys General of Quebec, Manitoba or British Columbia, nor any man across this land can play footsie with such a committee and do as he pleases with it. He should not have the power to appoint or not appoint, to give terms of reference and change them on Monday, alter them on Tuesday and forget them on Wednesday. This is what happens when you do not have the legal basis for this kind of body—and a legal basis is what we need.

• (8:30 p.m.)

It is unfortunate—this is a fact of history—that most of us in a democracy take our civil liberties for granted. As my friend for Winnipeg North Centre said, when there are no storms and when everything is quiet, all of us accept these things and take them for granted. We do not realize their importance until we lose them. The unfortunate fact is that those people who do not lose their liberties are frequently not moved by the fact that others have lost them. I had that experience in the 1930s when I returned to Canada, having been a student in England. I travelled a great deal through fascist and nazi countries, Italy, Austria and Germany. I saw and studied what was happening in those countries.

I tried to describe the situation to audiences in this country in 1935, 1936 and 1937. It was extremely difficult to get the average, decent Canadian even to imagine the possibility that such horrors could in fact exist. This was because our liberties were untouched. Canadians simply read about these things in the newspapers. Canadians felt sympathy for those living across the ocean but were not vicariously touched. We were spectators. The same is true of Canadians today. Most Canadians are not affected by the hardships felt by 397 Canadians. The civil liberties of most Canadians have not been interfered with. However, 397 Canadians have had that experience without ground, reason or justice.

I have read a great many writings by social philosophers. It is my conviction that when you permit a few people in a society to be humiliated by taking away their civil liberties, everyone in the society suffers; a little is lost from every human being in a collectivity which permits degradation and humiliation of a human being in that society. That is the basis upon which our philosophy ought to be structured, Mr. Chairman. It is the framework within which we ought to consider this bill. If these powers are needed, let us make them as narrow as possible. We must take every precaution to ensure that they are not abused by the people who must exercise them. It is not the Minister of Justice or the Attorney General of Quebec who will apply these powers; it is the police forces. That is entirely different from the elected representatives in legislatures or in Parliament.

I listened to the Minister of Justice throughout the debate on all the amendments. I watched him as the discussions were going on. I have no doubt he is unhappy because he is not willing, able or allowed to make the kind of provision that would give some control over the exercise of these repugnant powers. If I do not make an appeal to him it is because I have watched him throughout this debate and I have reached the conclusion that I will get nowhere by making that kind of appeal. I get fed up begging to a stone wall and a stone heart.

If the minister, as the guardian of the liberties of Canada—which is what the federal Minister of Justice ought to be—is ready to do his duty, this is the kind of

amendment he ought to accept because it does not in the slightest reduce the powers of the police. It does not interfere with the purpose of the bill; it merely sets up machinery for supervising the exercise of those powers. If the minister does not accept this amendment or the one which will be proposed by the hon. member for Calgary North, I will reach conclusions that it would not be polite to utter.

Mr. McCleave: Mr. Chairman, I wish to ask a 14-word question: Did the minister speak to the Minister of Justice of Quebec since six o'clock?

Mr. Turner (Ottawa-Carleton): No, Mr. Chairman.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Lewis) negatived: Yeas, 44; nays, 54.

The Chairman: I declare the amendment lost.

Clause 12 agreed to.

Clause 13 agreed to.

On clause 14—*Acts, etc., deemed done under Public Order (Temporary Measures) Act, 1970.*

Mr. Woolliams: Mr. Chairman, I would like to present an amendment that will follow clause 14. So there will be no misunderstanding, I am presenting it in English and in French.

Mr. Turner (Ottawa-Carleton): Who translated it into English for you?

The Chairman: The Chair will put the amendment at this time. It is moved by the hon. member for Calgary North:

That Bill C-181 be amended by inserting therein, next after clause 14, on page 9 thereof, the following:

"15. (1) The Governor in Council, as soon as possible after the coming into force of this act, shall appoint a person holding judicial office under Her Majesty in right of Canada, who shall be called the 'Administrator', and who shall inquire into and report to Parliament from time to time upon the administration of this act and of the Public Order Regulations, 1970.

(2) The Administrator shall have the powers of a commissioner appointed under the Inquiries Act and shall continue as Administrator for such period after the expiration of this act, whether by effluxion of time or by proclamation, as the case may be, as is necessary for the carrying out of his duties under this act.

(3) The Administrator shall have power to review and confirm, vary or revoke a certificate filed by an Attorney General of a province under subsection (1) of section 7 or an order made by an Attorney General under subsection (2) of section 9, or to make an order fixing a date for trial."

And renumber clause 15 accordingly.

Mr. Woolliams: As this amendment will follow clause 14 and could be numbered 14(b), could clause 14, which is just procedural as to when this act shall be implemented and for how long, be put before we discuss clause 15? It is just a matter of procedure.

• (8:40 p.m.)

The Chairman: I think the hon. member is correct. If the committee agrees, clause 14 would be carried, subject to the amendment of the hon. member for Calgary North.

Some hon. Members: Agreed.

Clause 14 agreed to.

Mr. Woolliams: Mr. Chairman, this amendment is similar to the amendment moved by the hon. member for York South, but it is different in certain respects so I hope we can obtain some sympathy and support from the government. The proposal is that an additional clause be added to the bill as follows:

"The Governor in Council as soon as possible after the coming into force of this act shall appoint a person holding a judicial office under Her Majesty in right of Canada"—

That person could be a judge of the Superior Court, either of the trial division or of the Court of Appeal; he could come from the Province of Quebec, in which case he would be familiar with the situation in that province.

—"who shall be called the 'Administrator' and who shall inquire into and report to Parliament from time to time upon the administration of this act and of the Public Order Regulations, 1970."

The administrator would be a judicial person acting in a judicial capacity and he would have the right to review certain procedures which had been adopted. If there were many applications for his intervention he could appoint other judges, in effect setting up boards or panels to act under him. In this way any abuses in the administration of the legislation could be corrected.

Even in time of war when the security of the whole of Canada was at stake, provision was made for some kind of review system under the War Measures Act regulations, so I would be surprised if the minister could present any acceptable arguments to show that an amendment of the kind I propose ought not to be accepted at this time, even taking into account the situation which prevails in Quebec today. If this amendment were agreed to it would in no way affect the extraordinary powers which are conferred by the act itself. It would simply give those who have been detained without charge, as well as others who had been detained for a considerable period awaiting trial after being charged, the right to apply to a judge and have a time fixed for trial. Surely this is a reasonable request.

After looking over the bill we on this side realized we were being asked to give the government extraordinary powers. We realized that those powers were virtually the same as those conferred by the War Measures Act. But we decided to keep the time spent in debate to a minimum, having regard to the situation which confronted the country. We knew the government wanted legislation to replace the War Measures Act, with its wide, sweeping powers, so we were content to keep discussion on our part to a minimum, as we have done. In these circumstances, surely the minister will consider this amendment very carefully. If he turns down this last request by the

opposition it would seem to me that his credibility as a reformer has been knocked to pieces.

Some hon. Members: Hear, hear!

Mr. Woolliams: The amendment continues:

"The Administrator shall have the powers of a commissioner appointed under the Inquiries Act and shall continue as Administrator for such period after the expiration of this act, whether by effluxion of time or by proclamation, as the case may be, as is necessary for the carrying out of his duties under this act."

We then go on to say:

"The Administrator shall have power to review and confirm, vary or revoke a certificate filed by an Attorney General of a province under subsection (1) of section 7 or an order made by an Attorney General under subsection (2) of section 9, or to make an order fixing a date for trial."

Section 7, to which reference is made in the last paragraph, provides:

A person charged with an offence under section 4 shall be detained in custody without bail pending his trial unless

(a) the Attorney General of the province in which the person is in custody has not, within seven days after the later of the time when the person was arrested or the coming into force of this act, filed with the clerk of the Superior Court of criminal jurisdiction in the province a certificate—

We deal with this; we say the Administrator shall have the power to review and confirm, vary or revoke a certificate in these circumstances. All the Attorney General has to do with reference to such a certificate is say a person is detained for just cause. When we are talking about the Attorney General, of course, we are really talking about all the agents of the Crown who will have the power to act in the name of the Attorney General; we are really talking about the police who are given powers under this bill. We say the Administrator should have authority to go behind this certificate, review it and, if he thinks fit, revoke the certificate in question. Surely this is reasonable. Our amendment says, also, that the Administrator shall have power to make an order fixing a date for trial if a charge has been laid.

Mr. Chairman, I have said before but perhaps this is an occasion upon which I should repeat it, the most cherished thing which a democracy allows us is liberty. I am not thinking, now, about liberty to be as free as a hog on ice. I am talking about the liberty which we sometimes give up in part in order that we may enjoy an even greater freedom in society. Unless provision is made in this bill for a review procedure, for a trial date to be set, for the right to counsel, we shall tonight be setting back 700 years the system of jurisprudence in Canada. As far back as 700 years, after the passing of Magna Carta, no freeman could be held in gaol after an application had been made for trial. Surely any Canadian citizen should have the right to a trial. It is common decency that these shortcomings in the bill should be corrected. These were the rights for which people fought so hard 700 years ago and they have been granted ever since. So this government, led by a Prime Minister who is supposed to be a civil rights advocate, is turning back the pages of history 700 years—and what have Canadians done to deserve this?

Some hon. Members: Hear, hear!

Mr. Woolliams: The poet Byron put it better than I could when he wrote The Sonnet on Chillon:

Eternal spirit of the chainless Mind!
Brightest in dungeons, Liberty! thou art,
For there thy habitation is the heart—
The heart which love of thee alone can bind;
And when they sons to fetters are consign'd—
To fetters, and the damp vault's dayless gloom,

People are held in gaol for seven days; people are held in gaol for 21 days; people are held, maybe, for 90 days. They can be kept in dungeons. We can chain the body, we can chain the physical being, but we can never chain the mind. Even the kidnappers of Laporte will find that out. Though they may have chained him, though they may have kept him in captivity, they could never chain the mind of that man. You can chain the body, but you cannot chain the mind of man. In man's mind there rests the very seed of freedom and that is what Byron had in mind. So I say as he said:

• (8:50 p.m.)

Their country conquers with their martyrdom,
And freedom's fame finds wings on every wind.
Chillon! Thy prison is a holy place,
And thy sad floor an altar—for t'was trod,
Until his very steps have left a trace

The great lesson from this sonnet is that this person was incarcerated for so long when civil rights had been set aside, as Byron penned it, that as he walked around the pillars of the jail he left markings on the pavement of the prison. What did the poet say? He said:

—May none those marks efface!
For they appeal from tyranny to God.

That is my belief. I know we have pounded the Minister of Justice long on this point, but knowing his training, background and everything about him, how can he refuse to allow this kind of amendment which would permit a review when abuse had been committed? What is wrong with an amendment of that kind? What harm will it do to law and order in Quebec and everywhere else in Canada to have people's cases reviewed, whether they be the most guilty of criminals, in order that they may be brought to a court of justice? Surely no minister and no government in their right senses could turn down this amendment.

If we were cutting down the powers in the bill I could understand the minister saying he needs more power, but we are not cutting down one of the powers given in the 14 clauses that have been debated by Committee of the Whole. All we are asking for is what Canadians have asked for throughout the generations during which we have adopted the traditions in which this nation is steeped. All we are asking is that decent men and women who may be detained without charge, without the right

of bail, without the right of counsel, without any communication with their families and without even the decency of having clean laundry, be given the right of a board of review headed by an administrator independent of parliamentary institutions.

If there is abuse, is it not better that the Minister of Justice and the government be aware of it, or even embarrassed by it? Would the Minister of Justice not rather be embarrassed than be a political animal? I say to him tonight there is no justification for the men here, particularly those who are lawyers and who know the traditions and the basis of *stare decisis* behind our common law, to sit and oppose the reasonable request we have made.

The hon. member for Sault Ste. Marie knows what I am talking about. He said he would look at this matter differently if the power was not given to an administrative body. He said this is an independent but an administrative power because that body would be acting in a judicial capacity. To save him that embarrassment we have now put forward the most reasonable suggestion that this body should be headed by a judge steeped in the tradition of our common law and with an understanding of our parliamentary and legislative measures. What harm could come from that? I say as Byron said:

> And when thy sons to fetters are consign'd—
> To fetters, and the damp vault's dayless gloom,
> Their country conquers with their martyrdom,
> And freedom's fame finds wings on every wind.

The prison was a holy place because of the marks that person left. That is what the hon. member for York South meant when he talked about his trip through Europe. People have said this afternoon that we should trust the Attorney General. Let me say that the people of Germany trusted Hitler, and this was contrary to every good principle. The freedom we have in Canada does not come only from the Prime Minister, the Minister of Justice, the Premier of Quebec, the Attorney General, the Leader of the Opposition, any Member of Parliament or of the cabinet. Freedom comes from the law. Our children leave our homes to go to school and arrive there safely, not because the Premier guarantees their safety but because the law guarantees that they will arrive at their school doors in safety.

It is all right to say that there is a committee set up, but that committee can be hired or discharged with a wave of a hand. Germany may have had committees in the days of Hitler, but how long did they last? Promises were made and promises were not kept. The government has been given great power and it has been given the confidence of the Official Opposition in this crisis. Let me say to the minister through you, Mr. Chairman, that even when we questioned the government, which would not tell us why it needed these extraordinary powers, we said because it is the government and the people of Canada gave it responsibility to govern, we would accept its word.

Now when we ask for one reasonable amendment based on the arguments we have put forward, the minister will say—I know this to be the case—we should be turned down. It is my hope that my words or the words of someone will impress the government. I hope the government will decide to set this measure aside until a Liberal Party caucus has been called with asks the Prime Minister this question, "Do you want to go ahead now with this kind of law in this kind of fashion?"

Mr. Benjamin: Mr. Chairman, I have listened to the arguments put forward so ably by the hon. member for York South and the hon. member for Calgary North who expressed the feelings of many members on all sides of this House. Our problem is to reconcile what we are doing in passing an extraordinary law, with safeguards. I had hoped misguidely or naïvely that the Minister of Justice, who I think in his heart agrees with what has been said this afternoon, would come up with an amendment providing safeguards because of the powers provided in this measure.

No government, no matter which party may be involved, should be given these powers without safeguards as to how the powers are used. There should be some means of checking whether or not the powers are abused. Whether the government is composed of Liberals, Progressive Conservatives, members of the NDP or the Ralliement Créditiste, they are but men who can err and misjudge in the exercise of the extraordinary powers they have been granted.

The minister made much of the amendments of the hon. member for York South and the hon. member for Calgary North. He contended that this type of amendment would impose upon an officer of the Crown in another jurisdiction instructions as to how he should administer law in his jurisdiction. The minister and others suggested that this would be an insult to the Attorney General of Quebec or the Attorney General of any other province. There are two assumptions one can make after hearing that argument. If one were to assume that the Attorney General of Quebec or of any other province were likely to abuse or misuse this power, one must also logically assume that some safeguard in this law is necessary.

• (9:00 p.m.)

But let us assume the best. Let us assume that the Attorney General of the province of Quebec will in his best possible manner and on his own ability administer this law with the best intent, and let us assume that he is the most honest and upright Attorney General that one could ask for. Assuming that to be the case, it seems to me it would be an insult to such a man not to have this safeguard, because he would be the first person to ask for and to want safeguards in respect of powers which he is obliged to use.

If the federal Parliament, in passing legislation which grants extraordinary powers, does not provide safeguards in respect of those extraordinary powers, I think any self-respecting Attorney General of any province in Canada would be insulted. I find the argument put forward by the Minister of Justice and some of his colleagues specious and one that falls to the ground.

Mr. Chairman, I repeat what has been said earlier. None of us is wedded to the words contained in the amendments put forward by the hon. member for Calgary North and the hon. member for York South. Our main point is that the Minister of Justice has led us down many paths but he has yet to tell us that he will accept the idea of having some safeguards. I hope he would at least agree that the idea is good in law and in principle. If he would accept that much and, even if he would not accept the amendments of the opposition parties, come forward with his amendment, he would do his bill and this House a great deal of good which we are badly in need of at this time.

One hates to think unkind thoughts or bring up past memories about a person one might know in this chamber, but I remember when I received mail from the National Liberal party headquarters prior to and during their leadership convention. I received the brochures of all the candidates of the Liberal party. I wish I had with me tonight the brochure which came out on behalf the person who is now Minister of Justice for Canada. I wish I could have laid my hands on it tonight—I tried to do so over the supper hour—because I would like to read to the hon. gentleman what was in that brochure concerning him, his record and his stance and why he should be the leader of the Liberal party of Canada. Much of those words, methinks, would haunt him now. That brochure made him sound better than the second coming. We got, instead, the first coming and he is now the Prime Minister.

The hon. gentleman who occupies the position of Minister of Justice has much to live up to concerning what is alleged to be his record and his position on civil liberties and the law, as well as about how the law should serve the people. All that has been said about him, and all that he has said about himself, does not stand up today unless he is prepared to at least agree to have some safeguards in this legislation. If he rejects both the first amendment and the amendment now before us, then he should come forward with his own amendment. If the minister will accept the idea only and not our words or the wording of the amendment, and provide the better words which he thinks should be used, he will receive agreement from members on all sides of the House.

I am not one who has had any training in the law; therefore, I shall not comment on the legalities of the amendment put forward by the hon. member for Calgary North. It just seems to me to make sense to one who considers himself to be Joe Canadian. I add my voice to that of many other members in this House. I hope that some of our colleagues to your right, Mr. Chairman, will now decide to ask the minister to agree that this item should stand, so that overnight the minister could think about it and come to this House tomorrow, or whenever this bill comes up before us again, with his amendment and his words to provide safeguards. I say this because no government made up of men of any political party should be without these safeguards. If I have any hope left at all, it is a very small hope that the minister will agree to at least do this. I hope he will give himself a little time to reconsider, accept the idea and bring in his amendment.

Mr. Gilbert: Mr. Chairman, there is no man more deaf than he who will not hear.

Some hon. Members: Oh, oh!

Mr. Gilbert: We have had an example of that in the past few days in respect of the amendments brought forth by members of the opposition. We in the New Democratic Party support the amendment put forward by the hon. member for Calgary North. In spirit it is much the same as the amendment brought forward by the hon. member for York South. In respect of both these amendments an approach has been made to the minister on the basis of reason. The members of the opposition used all their persuasive powers in an effort to persuade the minister that he is wrong in not agreeing to the appointment of a supervisory commission or an administrator as a safeguard of abuses which have occurred and which probably will occur with regard to this legislation.

The hon. member for Oshawa-Whitby presented a political argument to the Minister of Justice in which he stated that the unity of this country is very necessary and that we must have the strength and support of the people of Quebec in the development of the unity of a federal state in Canada. The minister has turned a deaf ear to this. I remind the minister that back in 1943 or 1944 the Liberal government passed an Order in Council under the War Measures Act which had the effect of deporting Japanese Canadians. Who administered that Order in Council? None other than the RCM Police.

• (9:10 p.m.)

The minister is well aware of the abuses that resulted from the enforcement of that Order in Council. What happened as a result of those abuses? The government was so ashamed that a commission was set up to investigate the property losses these people suffered as a result of having been transferred inland because of the Order in Council. The government paid millions of dollars to these people, but this was not adequate compensation. All the terms of reference of that commission were concerned with property losses and not with the loss of dignity, of political rights, and so forth, that these people suffered.

I am sure that the Minister of Justice at the time the Order in Council was passed would have welcomed some sort of supervisory regulation that the hon. member for York South and the hon. member for Calgary North proposed as an amendment to the bill, because it would have meant there would have been a body or a person that would have studied the abuses that were perpetrated by the RCMP. Now we have another Order in Council affecting the FLQ. I repeat that of the 447 persons arrested, 397 were released without charge. Surely there has been great abuse of the powers granted to the Attorney General of Quebec and exercised by his officers.

I had hoped that a minister who could say on second reading that this bill was philosophically abhorrent to him, would insert safeguards to protect the rights of people who have been injured as a result of this legislation. I would like to think that we have a Minister of Justice who is like a King John with the Magna Carta rather than a King John with a mini carta, because this bill represents a mini carta which restricts the rights and suppresses the freedoms of people. It is totally repugnant to all who believe in the democratic processes in this country.

Mr. MacDonald (Egmont): Mr. Chairman, I want to speak for a moment or two on this amendment because I believe it is the final opportunity the government has to prove to members of this House that it is justified in asking for extraordinary legislative powers. In fact, throughout the course of the debate the minister again and again in defence of the bill indicated that particularly wide-ranging powers were required. I as one member in this House have not agreed with this fact. Certainly, most of the members of the minister's party, as well as members on this side of the House, have agreed with it.

I think it is interesting, however, that the amendment now before the House is proposed by the official opposition which has in the main supported the government's action with respect to this bill. For that reason, if for no other, I think the minister should be giving this amendment every consideration. If in fact the minister seeks not only to do justice but to make sure it is well evidenced to the country, I think he has a very serious obligation not only to the official opposition in the House but to the many Canadians who are most disquieted by the steps that the government has taken.

The request for the kind of judicial commission that was proposed first by the hon. member for York South, and now by the hon. member for Calgary North, is not for something that has been framed within the reference of any particular party; it is, in fact, echoing the sentiments of many Canadians. The minister himself has received requests from a number of respected groups which have communicated with him since the War Measures Act was invoked, asking for the kind of independent commission that would ensure that these wide-ranging powers are not abused.

I think many millions of Canadians have been more than willing to accept the government's action—which is not one with which I agree—provided the government is prepared to give the kind of objective assurance that these powers will not be seriously abused. It is not just the members of this House but important groups in this country, such as the Canadian Council of Churches to mention one, which communicated with the government at an early date asking that this kind of assurance against these wide-ranging powers be instituted in the law.

I find it incredible, as I think many members in the House do, that the minister should be asking for the kind of powers that are spelled out in the clauses of this temporary public order bill without, at the same time, offering the kind of basic safeguards that are only sensible in light of the action that is being recommended through this legislation. What assurance have we that elements of the broad powers that are given to arrest and detain on suspicion will not be abused? Where can the minister indicate that that kind of assurance will stand up where it will matter most to those who will be affected by the application of this act?

I think that this is the last and most important opportunity for the minister to state very clearly to members of the House and, therefore, to people generally what kind of definite assurance and safeguards there will be with respect to the very special and extraordinary powers that are being requested under this temporary legislation. Unless the minister can do more than give the personal assurance which he gave today, unless he is able to present an amendment or accept the amendment before him to ensure that this safeguard exists, Parliament and the people of this country will not have been well served.

I recall an earlier day when the Prime Minister was warning the people of this country against the danger of extremes and the importance in times of great pressure in one direction to have an equal or countervailing pressure in the other direction. The government has asked for, in the person of the minister presenting this legislation, extraordinary powers to be placed in the hands of the police and in the courts. It is inconceivable to me that any minister on behalf of any government should be asking for these powers in this situation without offering a visible and tangible expression of a device that would give assurance to the people that such powers will not be abused.

Verbal assurances about the wisdom, good faith or judgment of specific individuals are worth nothing more than the communicated statements that they are. I feel that this statute cannot be received with any respect by the thinking people of this country unless the government and the minister are prepared either to accept this amendment, which goes to the heart of making these special powers close to being responsibly carried out, or put forth amendments of their own to that effect. I trust that before we conclude the debate on this amendment the minister will ask, as one member suggested earlier, to have this matter stood in order that he may consult his officials and bring in an amendment which he might find more acceptable, or consider the amendment proposed by the hon. member for Calgary North so that it may be accepted by all members of the House.

• (9:20 p.m.)

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I cannot disguise the fact that I am very impressed by the eloquence to which I have been subjected during the past three or four hours, and that I have been impressed by the sources of that eloquence. I think that the government tried to prepare a piece of legislation, based on the experience of the weeks in which the regulations passed pursuant to the War Measures Act were in force, specifically directed to the threat it was intended to combat, namely, the FLQ and allied and successor organizations

operating out of Quebec. The purpose was to mobilize only those extensions in power for the law enforcement authorities that in our opinion were needed, namely, specific extensions of the power to arrest without warrant, to detain before a charge was laid for a specific period of time, to search without warrant and the other powers that have already been described in detail to this committee during clause by clause review of the bill.

We have been conscious of the fact that we had to draft and cast those powers in terms that did not go beyond the scope needed to meet the threat. We were also conscious of the fact that we did not want to interfere with the ordinary liberties of Canadians as they have been built up through the traditions of our country, whether at common law or by statute, any more than they had to be interfered with. I have tried to meet every argument that has been broached on the floor of this chamber since debate on clause by clause began; I have tried to meet it with counter argument which may or may not have been persuasive in so far as the total membership of this committee is concerned. In any event, I have tried my best to outline the government's position.

I want to assure the committee that before this debate began and during the course of the debate we have tried to assess, and I personally have tried to assay, the value of each argument supporting each amendment. In the final analysis the government will have to bear the responsibility of the action we are taking, and we understand that. We also recognize that what we did depends in the long run on a value judgment which only history will verify or rebut, and there being no certainty in human affairs there is no one here who can fully determine what the final accounting or verdict will be. But we did what we did because we felt it had to be done. We used the vehicle and the tool of the bill before the committee because we thought that it struck the proper balance between extension of the power of law enforcement agencies on the one hand and restriction of individual liberties of Canadians to the minimum necessary to achieve its objective on the other hand.

I have considered the amendment introduced by the hon. member for Calgary North; he introduced it with verve and eloquence tonight. But I must reject it and recommend to the committee that it be rejected for basically two reasons. First, it offends against the principle, under our federal structure as it operates at the moment, in law enforcement, that the administration of justice under the Criminal Code and under those measures akin to the Criminal Code is the responsibility of the Attorneys General of the provinces. Just as the amendment introduced by the hon. member for York South implied a supervision of the discretion inherent in the responsibilities of a provincial Attorney General, so the amendment introduced by the hon. member for Calgary North has, to my mind, the same objective. It is he, the Attorney General who is responsible to the people of Quebec, to the legislature of Quebec, who must bear the ultimate accounting for how this will be administered, just as I, within the general content of this bill and of the criminal law, have to bear responsibility for that.

[Mr. Turner (Ottawa-Carleton).]

That brings me to my second ground for objecting and it is this: I believe in responsible government. I believe that under the British parliamentary system, the person charged with the institution of criminal proceedings, the person charged with exercising that sometimes awesome discretion and the person who under the terms of this bill has the discretion either to suspend bail or not, either to detain a person or not to detain him, or to institute prosecution or not, must be someone responsible directly to the people. All that is his responsibility under the Constitution as it operates in this country. He has to exercise that responsibility in weighing what the public interest will be. He has to weigh that public interest, not for political motivation—indeed, under our tradition, which binds Quebec as it does the federal government, he cannot institute or withhold proceedings on the basis of that consideration—but in the best interests of the administration of justice. That is his responsibility, as it is mine within the sphere within which I am appointed to operate.

The Attorney General of any province, accountable as he is to the legislature, accountable as he is through the legislature to the people, must be more sensitive to the administration or to the possibility of the maladministration of justice than any commission responsible to no one. I do not think that any paraphernalia or any superstructure of review can in any way derogate from the fundamental responsibility of an Attorney General under the British parliamentary system. There is no way in which that can be done.

When I read the third paragraph, in particular, of the amendment proposed by the hon. member for Calgary North, when I see that the administrator who would enjoy judicial office, holding judicial office, would be given the power to review and "confirm, vary or revoke a certificate filed by an Attorney General of a province under subsection (1) of section 7"—that is the clause in the bill relating to the granting or withholding of bail—I do not believe that a judge should be given that responsibility or held accountable for that responsibility of an Attorney General of a province, given to him under the bill.

An hon. Member: They are all the time.

Mr. Turner (Ottawa-Carleton): Not in the enforcement of extraordinary measures like this for which he has to take responsibility in the long run. Secondly, I do not believe that a specially appointed judge should have an overriding responsibility under clause 9(2) of supervising what an ordinary judge, under that clause, would have done in terms of detention before charge and the extensions that may or may not be allowed. In effect, that would be one judge superimposing his judgement on another. I know that the hon. member for Calgary North referred to the administration of the War Measures Act during the last war. At that time, by executive action people were detained. They were detained for unlimited periods and without charge and without trial.

Mr. Woolliams: What about this bill?

Mr. Turner (Ottawa-Carleton): That is completely different from this bill, because the detention is limited to seven days or three days, the charge must be laid and the trial must be brought on. It is not detention without any recourse whatever. I can understand in that situation, when the whole administration was centred in Ottawa, when there was no charge and no trial, that there was argument for some system of review—

Mr. Douglas (Nanaimo-Cowichan-The Islands): This is only semi-totalitarianism.

Mr. Turner (Ottawa-Carleton): —but that does not apply under these circumstances. The detention is public. The arrest is public. There is a maximum period put on the detention. There is a maximum period put on the time that a charge can be delayed. There is a maximum period put on the period after which a trial must be brought on. I submit this to the committee with the greatest respect: I do not believe that the comparison is valid. I have listened and digested what hon. members have said, and in all seriousness I submit to the committee that both the principle of federalism on the one hand and the principle of the responsibility and accountability of an Attorney General on the other, an accountability as sensitive as any which the British parliamentary system has imposed on any officer of Parliament, are offended by this amendment.

• (9:30 p.m.)

Mr. Douglas (Nanaimo-Cowichan-The Islands): He is not accountable to this Parliament.

Mr. Turner (Ottawa-Carleton): But I am accountable to this Parliament.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, may I ask the minister a question? The minister says he is accountable to this Parliament. Is he prepared to be accountable for every action that is taken under this legislation by the Attorney General of the province of Quebec? Would the minister answer that question?

An hon. Member: That is a silly question.

Mr. Turner (Ottawa-Carleton): The hon. member for Nanaimo-Cowichan-The Islands has added a little sting to that question so he will have to excuse me if he gets a little venom back. I say this: If the responsibility under a federal statute lies with the Attorney General, he is responsible to his own legislature and the people of Quebec and he will be held responsible, but if the responsibility lies in Ottawa I will be held responsible.

Under our Criminal Code and under the bill, the primary responsibility for the administration of justice lies with the Attorney General of the province and he is accountable to the people and to the legislature of that province. In so far as the jurisdiction rests with me and with the government for the content of this bill, we are jointly and severally responsible to this Parliament.

Mr. Douglas (Nanaimo-Cowichan-The Islands): You will be washing your hands of this bill in two weeks' time.

The Deputy Chairman: Is the hon. member for Peace River rising for the purpose of asking a question?

Mr. Baldwin: I should like to ask the minister, through you, Mr. Chairman, if it is not a fact that the jurisdiction of the federal government for narcotics and restrictive trades practices with respect to prohibitions and sanctions rests squarely within the criminal law of Canada, and is it not the Attorney General of Canada who launches prosecutions and is in full charge of the proceedings in these matters?

Mr. Turner (Ottawa-Carleton): Yes, that is so—

Mr. Woolliams: Yes, indeed.

Mr. Turner (Ottawa-Carleton): —but under the Criminal Code and under any statute for which responsibility is not otherwise allocated, under section 27 of the Interpretations Act the responsibility lies with the provincial Attorney General.

Mr. Baldwin: Is it not a fact that all the extraordinary remedies which are granted are remedies not under the Criminal Code but under offences created by this new legislation?

Mr. Turner (Ottawa-Carleton): No, Mr. Chairman, that is not a fact. This bill contains certain departures from the ordinary criminal law. Aside from that, it is administered as the criminal law is administered.

[*Translation*]

Mr. De Bané: Mr. Chairman, I think that a bill which gives to a large number of persons who are not accountable to any higher authorities the power to arrest people on mere suspicion, a bill which allows seizure and search in a systematic fashion, a bill which prevents any recourse for damages, a bill which has already destroyed reputations, a bill which permits a tear in the very fabric of democracy, namely the involvement of politics into the judiciary process, a bill which, I would say, is contrary to an almost natural law, by convicting a spouse who helps the other to escape after he or she has committed an offence, a bill which allows the emprisonment of anyone at the Queen's will, without the assurance of a trial within a set time, a bill which does not even define the fact of being a member of the illegal association, a bill which is retroactive without any set date as to this retroactivity, a bill which infringes upon the first principle of legality, i.e. to be clear, to the point where some of the best criminal jurists claim that under this bill, a lawyer cannot, without violating subclause (e) of clause 4, defend members of the FLQ for a special fee, is of such an exceptional nature that it makes necessary the equally exceptional amendment that is proposed.

[*English*]

Mr. Stanfield: Mr. Chairman, I do not think that the Minister of Justice has seriously tried to deny the need

for some powers of review in connection with the rather extraordinary powers created under the War Measures Act regulations and the powers to be created under this bill. Earlier this afternoon the minister took the position that the province of Quebec had established some sort of committee. He has always taken the position that the administration of this bill is the responsibility of the government of the province concerned and that the Attorney General concerned is accountable to the legislature of his province.

I say, Mr. Chairman, that we are considering this bill after the War Measures Act regulations have been in effect for several weeks. The context in which we are considering this bill is that the province concerned has made no adequate provision for review. I repeat that: the context in which we are considering this question tonight is that the Attorney General and the provincial government concerned, for one reason or another have made no adequate provision for a review of the extraordinary powers created by the regulations of the War Measures Act.

It is all very well for the Minister of Justice to say that this is the responsibility of the province concerned. I say to all my hon. friends opposite that they are putting this before the House and that they are apparently going to reject any provision for review in the full knowledge, which not one of them can contest for a moment, that the government concerned has not made any adequate provision for review.

Some hon. Members: Hear, hear!

Mr. Stanfield: As far as the action taken by that government or this government is concerned, the people of Canada will never know what has taken place under the War Measures Act except in so far as journalists may make that knowledge available.

The Minister of Justice does not seriously try to argue that there should not be some power of review. I know that he talks about the accountability of the Attorney General of the province to the legislature and he also talks about his own accountability to this House. I want to speak to him very frankly now, Mr. Chairman. If he were seeking these unusual powers, I hope he would have sense enough to want a review body; and if he did not have sense enough to want it, I hope that I for one would insist that such a review body be formed. I do not think this minister should be given powers of this sort without some power of review. Tonight we are being asked to accept a rejection of any provision for review in the full and certain knowledge that the province concerned has not itself made any adequate provision for review.

Some hon. Members: Hear, hear!

An hon. Member: Get out of that one.

Mr. Stanfield: That cannot be challenged. I do not think there has been anything like this in the history of our country in peacetime. I cannot understand my hon. friend opposite putting forward such a proposition. This is not a necessary part of dealing with terrorists. The refusal to establish a review commission is not designed to strengthen our society; it is not designed to protect our society. I do not say that the refusal is calculated deliberately to weaken our society, but that would be its inevitable effect.

• (9:40 p.m.)

Some hon. Members: Hear, hear!

Mr. Stanfield: It could not be justified in wartime. Whether or not certain things have been necessary in wartime, they have been carried out. But we are not so weak in this country, neither is our society so weak that we need to provide these unusual powers without any review. When the minister spoke, he bristled a little. He suggested the time has come for us to be frank. The time has passed when we should be polite about this matter. The time has come for us to be frank. It seems to me this government should answer questions frankly. In particular, what is this government afraid will be disclosed if such review is provided?

Some hon. Members: Hear, hear!

Mr. Stanfield: That is all I have to say, Mr. Chairman.

Mr. Lewis: Mr. Chairman,—

Mr. Fairweather: Where are the Liberals? We want to hear a Liberal.

Mr. Lewis: Mr. Chairman, I do not intend to take many minutes because I have already expressed my views about the importance of the review. But the minister keeps repeating the jurisdictional aspect of this matter. He displays a "holier than thou" attitude and keeps saying, "I believe in federalism", as if the people on this side of the House do not.

Some hon. Members: Oh, oh!

Mr. Lewis: The comments of the great Minister of National Defence show the kind of arrogant attitude that the cabinet has adopted in this matter.

Some hon. Members: Hear, hear!

Mr. Lewis: It is an attitude which the members of this arrogant government always take.

Mr. Macdonald (Rosedale): The hon. member should not talk about arrogance. Let him consider his party's leadership campaign.

An hon. Member: Stand in your place.

Mr. Lewis: Mr. Chairman, all of us in this House believe in federalism and in Canadian federalism. Almost everyone in Canada believes in it. There are ways to make that federalism strong and there are ways to make it weak. There are ways to make people the friends of

federalism and there are ways to make martyrs of the enemies of federalism.

Some hon. Members: Hear, hear!

Mr. Lewis: That is precisely what the government's attitude does: it makes the demagogic separatists in Quebec, and even those who are a long distance from the views of the separatists, point at Ottawa as the centralizing, insensitive capital of Canada and at this government as one that ignores the needs of the people of this country.

Some hon. Members: Hear, hear!

Mr. Lewis: Every time a government or a Parliament passes this kind of law aimed at a certain region of the country and which deals with people as 400 people in Quebec have already been dealt with, something happens: you make every one of those 400 people resent Canada.

Some hon. Members: Oh, oh!

Mr. Lewis: And you run the risk of making them martyrs with their ideas. How do you avoid that? You avoid the social consequences of this kind of extraordinary bill by appointing, I suggest to you, Mr. Chairman, some kind of review and supervisory body. Then everybody in the country, whether he be in Quebec or elsewhere in Canada, will know that the Parliament which gave the police in Canada, the police of a province, the police of a city, the Attorney General of a province—

Mr. Fairweather: And the armed forces.

Mr. Lewis: —and the armed forces these extraordinary, repugnant powers, powers contrary to the basic principles of our society, is making sure that these powers will not be abused. There is no guarantee that they will not be abused unless you have some kind of supervisory body. I suggest, Mr. Chairman, that the amendment moved by the hon. member for Calgary North is a thoroughly reasonable one. The minister is outraged by the suggestion in the amendment that the administrator will have power to review the decision of the Attorney General to withhold bail. What is outrageous about that, when the administrator is to be a judge?

Mr. Woolliams: That is quite right.

Mr. Lewis: According to the normal practice in our society, it is the court that decides whether a man shall be let out on bail or held in jail.

Some hon. Members: Hear, hear!

Mr. Lewis: If the minister had accepted the earlier amendment that suggested this provision should be included in the bill—and I still do not see why it should not be—this part of the present amendment would not be needed. At present the Attorney General has the arbitrary power to say, "This man shall remain in jail." He is under no obligation to give reasons; the certificate does not have to say why. He merely has to say that in his opinion there is just cause for that man to stay in jail for another 30 days, 40 days, half a year or one year until the date of trial. It may be one month or one year away from his arrest. I have known these things to occur.

If you give the Attorney General that kind of arbitrary power, what in heaven's name is so outrageous when you say that a judge in the capacity of administrator under this law shall be able to review the way in which the Attorney General uses that power? I say to the Minister of Justice, what is so outrageous about that? In what way does this interfere with provincial rights?

Mr. Fairweather: In no way.

Mr. Lewis: If I had time I would go through the Criminal Code to illustrate my point. Until this bill was introduced I confess that I had not looked at it for a long time, but I would be ready to bet there are sections in the Criminal Code—I am referring to the passing-off sections and others like them—that give the federal Minister of Justice certain powers. There is no absoluteness and there cannot be any absoluteness in this regard.

Mr. Fairweather: There is also the Parole Board.

Mr. Lewis: One must also include the Parole Board. One must consider the situation. What is the situation? At present the situation is that this Parliament is required to pass a special law to deal with an extraordinary state of affairs, so says the minister. He wants extraordinary powers, says the minister. I do not think they are now needed, but if they are there ought to be extraordinary precautions to ensure that these extraordinary powers will not be abused.

Some hon. Members: Hear, hear!

Mr. Lewis: This is all that the amendment of the hon. member for Calgary North seeks. Neither his amendment nor the one that was before the committee previously interferes with any of the powers. It does not remove the power of search, the power of arrest, the power of detention, the power to withhold goods seized, or any other power. It merely states that a supervisory person, a judge, shall look over, supervise, report on or deal with the way in which these extraordinary powers are exercised. I suggest, Mr. Chairman, that the minister's refusal to accept this kind of amendment is very suspect. It may be that he and the government of Canada have not the courage to undertake their responsibilities for fear of what someone in Quebec might say.

Some hon. Members: Oh, oh!

Mr. Lewis: If that is the case, it is shameful and all the pretensions about liberty and rights are hollow pretensions of which the minister and the government ought to be ashamed.

Some hon. Members: Hear, hear!

Mr. Lewis: I ask, what is wrong with the amendment?

Mr. Stanfield: What is wrong with the government?

Mr. Lewis: All the amendment asks is that a judge, who has had training in these things, be required to look into these matters. He is given very limited powers. Generally speaking, the powers that he is given under the amendment are powers set out in the Public Inquiries Act; they are not powers which my friend, the hon. member for Calgary North, has created or that his leader or anybody else has created. They are powers now contained within the statutes of Canada. Those powers are used all the time by people investigating all sorts of things across this country, by commissions and bodies that governments and Parliaments have set up for decades. The administrator, or judge, has no more powers than every other commission of inquiry has had, precisely on the basis of the same law. What in the name of heaven is wrong with that suggestion?

• (9:50 p.m.)

If there was the slightest inclination on the part of this government, not only to deal with the situation in the province of Quebec but to deal with it in a decent, democratic and sensitive way, they would accept the amendment of the hon. member for Calgary North.

Mr. Baldwin: Mr. Chairman, I will first deal with the point I brought to the attention of the minister. I do not know whether he caught my question properly. I attempted to point out that when he was trying to relate the functions of the Attorney General of Quebec or the Attorney General of any province to this bill, and to the powers given by it, to the ordinary function under the Criminal Code, I think he was wrong. Only in respect of offences created under this bill is there given the extraordinary power of detention and refusal of bail. The minister may have some exceptions in mind, but this is my reading of the bill.

The attitude of the minister emphasizes a dillusionment under which many members of this House labour. They think we need only to pass legislation and need not be cornered about its implementation or worry about the impact. I deny that. When we accept the responsibility of enacting extraordinary legislation—I am not quarrelling about the type of legislation that lies beyond our scope under this amendment—we cannot absolve ourselves by saying that having passed the bill, we can forget about it. We cannot leave our responsibilities outside this House. We cannot park our consciences at the door. The conscience of each hon. member of this House is with every police officer when he arrests, detains and places in an institution for continued detention a person charged under this act. Parliament is responsible when the Attorney General of the province of Quebec signs a certificate indicating that there is no just cause for allowing a person to be admitted to bail.

I have no complaint in so far as this bill is directed against those who are guilty of the type of terrorist activities which have concerned us. However, almost 400 people have been picked up and detained in custody for a considerable period of time. We must admit that there have been some abuses in the operation of this legislation. Because we are afraid that abuses will continue when these powers are given to certain people, we must ask for a means of review so that abuses will be limited. When abuses are brought to the attention of the administrator, he must be compelled to report them to this House. This House will then have the opportunity to hold accountable those who are delegated with the authority. Without a safeguard of this kind this House is not fulfilling its duty under the democratic process.

Mr. Olson: Mr. Chairman, it appears that the committee is about ready to decide on the amendment to the second last clause of Bill C-181. In view of that, I ask Your Honour under Standing Order 6(5)(a) to request permission of the Speaker to extend the sitting until the Committee of the Whole has completed consideration of Bill C-181 or until eleven o'clock, whichever is earlier.

The Deputy Chairman: In view of the request made by the Minister of Agriculture, it is my duty pursuant to Standing Order 6(5)(a) to interrupt the proceedings of the Committee of the Whole in order to permit the House to decide on the motion which will be proposed by the minister.

Mr. Speaker resumed the chair.

Hon. H. A. Olson (Minister of Agriculture) moved:

That the sitting be extended until completion of the Committee of the Whole stage of Bill C-181, or eleven o'clock p.m., whichever is the earlier.

The Acting Speaker (Mr. Laniel): Before putting the motion I must remind members that Standing Order 6(5)(a) permits the Speaker to put the motion and at the same time ask members who oppose the motion to rise. If ten members or more rise, the motion is defeated.

And more than ten members having risen:

The Acting Speaker (Mr. Laniel): I declare the motion lost.

And the House having resumed in committee:

The Deputy Chairman: It being ten o'clock, it is my duty to rise, report progress and request leave to sit again at the next sitting of the House.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

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

PENSIONS—OLD AGE SECURITY—ACTION ON INCREASE BEFORE CHRISTMAS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Thursday, November 12, as reported at page 1090 of *Hansard*, I put the following question to the Prime Minister (Mr. Trudeau):

Mr. Speaker, my question is directed to the Prime Minister. In view of the right hon. gentleman's statement a short while ago that he thought old age pensioners might be able to get

through the winter without an increase in their pensions, but that he hoped they would not have to, can he now say whether there will be an increase in the old age pension before Christmas?

• (10:00 p.m.)

The first reply of the Prime Minister was as follows:

Mr. Speaker, without agreeing with the premise of the question, which is not exactly in the terms I put it, I can only say what the Minister of National Health and Welfare has been saying, namely, that in due course he will announce the government's policy on these matters.

I tried again, by way of a supplementary, to obtain some assurance that something would at least be started before Christmas but I am afraid I was not successful. I asked the same question in different words on Monday, November 16, as recorded in *Hansard* at page 1188, when I put it this way:

Mr. Speaker, may I direct a question to the Prime Minister? There being 39 days to Christmas, has the Prime Minister yet decided in what way he is going to say "Merry Christmas" to Canada's old age pensioners?

An hon. Member: Ho, ho, ho!

Mr. Knowles (Winnipeg North Centre): I got no answer to that so far as *Hansard* indicates, but I believe a number of hon. members did say what I have just heard—"Ho, ho, ho!"

Mr. Speaker, I apologize to the Prime Minister if he felt that my reference to what he said was not exactly correct. He did not quarrel with the general terms of my quotation but relied on the fact that I had paraphrased him a bit. Actually, I did paraphrase him by making his words softer than the press had reported. Following an interview with him outside this chamber on Friday, October 9, the press had reported the Prime Minister as saying he thought pensioners could get through the winter—I changed "could" to "might"—but it would be too bad if they had to, and he hoped it would not be necessary. I have seen reports of this interview in papers like the Ottawa *Citizen* of Saturday, October 10, and the Winnipeg *Free Press* of Monday, October 12. At any rate, it was clear that the message of the Prime Minister was one which had the effect of giving old age pensioners some hope. The headline of the story in the Ottawa *Citizen* was, "More Dollars for Aged". The headline of the same story in the Winnipeg *Free Press* was, "Pensioners Promised Action".

I think this is most unfair. It has all the earmarks of a cruel hoax for the Prime Minister to say these things and give the impression that something is going to be done, yet continue to stall in this House to the point at which it will become legislatively impossible to deal with the matter before Christmas. After all, the old age pension cheques for the month of November are probably made up already and before long the December cheques will be in production. If anything is to be done before Christmas, it must be done right away.

I remind hon. members that the situation respecting our senior citizens is getting worse and worse. The difficulties they face, in getting by on the amount they have, whether by way of pension or other income, are increasing day by day and week by week. Figures which were given in answer to a question of mine some days ago, figures which are to be found in *Hansard,* show that 27 per cent of the people of Canada who are 65 years of age and over qualify for the full amount of the guaranteed income supplement.

In order to qualify for the full amount of that supplement one has to have practically nothing else at all. I am not now talking about the 57 per cent who qualify for some part of the guaranteed income supplement and thus are living below the poverty line. I am saying that 27 per cent of all the people in Canada 65 years of age and over are in the position that apart from what they get by way of old age pension and guaranteed income supplement they have nothing else. That means they have to get by on $111 and some cents a month. That means they are destitute.

In these days, in light of today's cost of living and in light of today's standard of living, which may be very nice for those who enjoy its affluence but which is repressive for those who cannot enjoy any part of it, I suggest this is criminal and immoral and that Parliament ought to be given the chance by the government to act on the matter of a substantial pension increase right away, certainly before Christmas.

Mr. Gaston Isabelle (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, as Shakespeare once said, "once more into the breach, dear friends." Questions relating to old age security posed by the hon. member for Winnipeg North Centre (Mr. Knowles) have been debated at ten o'clock in this Chamber no less than five times in the last year.

Some hon. Members: Hear, hear!

Mr. Isabelle: Old age pensions began in Canada in 1927. The first pension which was based on a means test was administered by the provinces and was cost-shared on a 50 per cent basis with the federal government. This pension was in the sum of $20 per month. The old age pension continued unchanged except for the amount of payment until 1952. By the same year the pension had increased to a total of $40 per month. Shortly after World War II Canada's concern for its senior citizens was reflected by the action of the government of the day which in 1951 appointed an all-party committee of the House and the Senate to study the old age pension.

Mr. Knowles (Winnipeg North Centre): That was in 1950.

Mr. Isabelle: Yes, 1950. The study carried out by this all-party committee was most comprehensive and reviewed pension plans then in effect in all parts of the world. The major recommendation of this committee, which was unanimous, proposed the introduction of a flat-rate benefit program. The new pension program adopted by the government was called the old age security program and came into effect on January 1, 1952. The same basic rate of $40 pension per month still applied, but because the means test was eliminated many more of Canada's senior citizens were included.

Since the introduction of the old age security program in 1952, payments have increased as follows: July, 1957, $46 per month; November, 1957, $55 per month; February, 1962, $65 per month and October, 1963, $75 per month. Since 1963 old age security has been escalated to the present rate of $79.58 through the introduction of a cost of living clause. In 1966 legislation was introduced bringing the guaranteed income supplement to the old age security program into effect and commencing on January 1, 1967, a maximum rate of $30 per month was established for the guaranteed income supplement.

Mr. Speaker: Order, please. I regret to interrupt the Parliamentary Secretary, but his time has expired.

Mr. Knowles (Winnipeg North Centre): But he has not answered the question.

Mr. Douglas (Nanaimo-Cowichan-The Islands): We covered 20 years in three minutes—pretty good.

BROADCASTING—PERFORMANCE OF NORTH BATTLEFORD SATELLITE TELEVISION STATION

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, the other day I asked whether the government would enforce standards required for licencing of TV stations. I had reference to the satellite in respect of North Battleford through station CKBI-TV at Prince Albert.

• (10:10 p.m.)

I should like to refer briefly to a telegram I received from some of my constituents. They say that there is unbelievably poor TV reception in the Battlefords despite thousands of names on petitions sent to the TV broadcasting commission. On this telegram there are 79 names. This is not the first time the people in this area have tried to do something about the problem. The board of trade in North Battleford and many citizens on their own have attempted to have some action taken.

I asked a question on the Order Paper on November 24, 1969. These are some of the things we have done in an effort to get the attention of the minister in respect of the unbelievably poor television reception. I had assumed that when a station received a licence to broadcast it would be forced to live up to certain minimum standards. I ask you, Mr. Speaker, how you would explain the situation to your constituents or perhaps to your grandchildren if you had only one TV picture, if there was a hockey game on between Toronto and Montreal and if during the last period the score was tied and Montreal were advancing on the Toronto goal and then the picture faded out.

This is the type of thing that happens. I have heard about these things from many people, and not always in polite terms. I believe it is high time something was done about this situation. I do not want to hear excuses from the other side concerning what is wrong. I want to hear what is to be done to make the situation right. We have a TV signal that comes and goes like a yo-yo. I do not think this is necessary. If something cannot be done about this, let us give the licence to somebody else so that we will have at least one good TV signal in North Battleford. In Ottawa, for instance, there might be eight or ten channels including three French channels. The rest of the country is talking about two channels, and we cannot even get one in our part of the country. I suggest it is time something was done to correct this problem.

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, on behalf of the Parliamentary Secretary to the Minister without Portfolio (Mr. Faulkner), I would like to give the following information to the hon. member for Battleford-Kindersley in reply to his question.

A representative of the Canadian Radio-Television Commission recently checked the technical facilities of station CKBI in Prince Albert. A representative of the Department of Communications also visited them. Subsequently, the licencee, Central Broadcasting Limited, decided that a micro-wave relay connecting North Battleford to Altican could ensure better service in North Battleford.

The company therefore applied to the Department of Communications for authorization to establish such a relay and we are now waiting for such a licence to be issued. We hope the hon. member's constituents will receive better service.

[*English*]

GRAIN—PRODUCTION AND RECEIPTS POLICY—FARM CONSOLIDATION PROGRAM

Mr. Don Mazankowski (Vegreville): Mr. Speaker, on October 29 the minister in charge of the Wheat Board tabled a program of proposals respecting the western grain industry. While the proposals are vague in many areas, one fact emanates abundantly clearly. That fact is that the contents of the new plan are based to large degree upon the task force report which outlines the Liberal government's agricultural policy platform for the seventies. This report is documented by a group of professors and accountants.

The grains program basically outlines three objectives. First, a program of supply management which could more appropriately be referred to as bureaucratic production control encompassing new marketing methods and new quota programs. It also outlines an objective of providing an income stabilization program which would be basically financed by the producers themselves. Another proposal involves an announcement that the government intends to withdraw support in the area of storage, that is, the Temporary Wheat Reserves Act, certain interest costs on export sales and the provisions covering any shortfall incurred in pool accounts. All of these collectively will reduce the net income to the producer and place the vagaries of the international marketplace squarely on the shoulders of the producer.

Above all, while achieving these goals it is suggested another development will occur and it is also included in the proposal. However, I must say that there is very little

accompanying background information and direction in this area. I am referring to the suggested proposal to encourage the adjustment of farm units into more efficient sizes. I believe that this is where more information is required.

It is for that purpose that I rise in this debate tonight. I raised the matter on November 9 and November 16. One answer that I received from the Minister of Agriculture (Mr. Olson) was that the problem I raised was much too broad to be covered and dealt with in the question period. I raised the matter again yesterday in an attempt to elicit more information with respect to the government's direction and policy in this area, and inquired specifically whether a policy would be announced before the convening of the agricultural congress. To that question I received a negative answer.

The minister in charge of the Canadian Wheat Board said that it was his desire to have the proposals thoroughly aired before proceeding with the legislation. He envisaged a debate involving the producers, the farm groups, members of the grain trades and anyone else interested in the grain industry. Yet the government's position respecting the consolidation and laying out of its intended procedure in this area have not been clearly defined. It seems to me that with such encompassing proposals, which strike at the potential disbanding of existing farm units, I as a Member of Parliament have the prerogative to ask how we can ever discuss this policy with any degree of intelligence and skill without having all the pertinent facts and without knowing the intentions of the government.

The task force report put forth some very direct proposals respecting farm adjustment and rationalization. I would simply like to ask the minister through you, Mr. Speaker, if we are to assume that the government will be following along the lines proposed in the task force report. Then we get back to the age-old question about what constitutes an economic, viable unit, what size it will have to be and whether it is the intention to doom the family farm to extinction only to have it replaced by a few corporate structures, probably vertically integrated conglomerates.

One has only to analyse the intentions of Bill C-175 and Bill C-176 and examine some of the evidence that was tabled in the committee on agriculture to conclude that it seems very obvious the government is moving in this direction. It seems to me that the government is set on a deliberate course of destroying rural Prairie life as we now know it, and in its stride bringing about the destruction of our rural communities. I believe the Canadian Economic Council on rural development also bears out this fact. The saddest aspect of all is that through government measures people are being literally coerced into making undesired adjustments, with little or no recourse in so far as their options or alternatives are concerned.

If we are simply being asked to propose and agree to the policies and programs which are being brought forth in the name of efficiency, such as those contained in the task force report, the grains policy and the various bills—

• (10:20 p.m.)

Mr. Speaker: Order, please. I must advise the hon. member that his time has expired.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I have only three minutes and so I must be very brief in my replies to all the matters raised by the hon. member for Vegreville (Mr. Mazankowski). First of all, I want to say categorically that the task force report, both in its findings and recommendations, does not constitute government policy. I think it is a great disservice to the task force, and indeed to the farmers of Canada, for members of the opposition continually to go around the country attempting to perpetuate that myth.

So far as the proposals in connection with the agricultural stabilization fund are concerned, the Minister of Manpower and Immigration (Mr. Lang) has made it very clear—and the hon. member has confirmed this tonight—that he wants to have a thorough discussion of this question and he is willing to make adjustments in the proposals before drafting the legislation that is to follow, in order to put whatever the consensus is into effect. At the congress which is to be held here next week there will be ample opportunity to discuss the proposals in the task force report. Indeed, that is what the meeting is for. I am sure the hon. member would be the first to get up in this House and criticize me for determining, in advance of that meeting, what the government will and what it will not accept in respect of the task force recommendations.

I see my time is about up, Mr. Speaker. In conclusion I wish to say it is absolutely wrong to contend that the government is attempting to do away with the family farm, or for that matter rural Canada. We have taken many measures, not to weaken that sector but rather to strengthen it and that is what this government, in particular the Department of Agriculture, is dedicated to do.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Wednesday, November 18, 1970

The House met at 2 p.m.

ROUTINE PROCEEDINGS

PRIVILEGE

MR. STANFIELD—INCORRECT REFERENCE IN "HANSARD" TO LEADER OF THE OPPOSITION AS AUTHOR OF STATEMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a statement with regard to *Hansard*. I would ask your indulgence for a moment because there have been a number of instances in the past few weeks in which the Prime Minister has given the impression that the official opposition is in collusion with the government.

Mr. Speaker: Order, please. I do not believe that according to the rules the Leader of the Opposition is entitled to make such a statement on motions. I suppose he could make a statement at this time on a question of privilege or perhaps on a point of order, but certainly he cannot make a statement on motions unless it is under one or the other guise or under Standing Order 43.

Mr. Stanfield: Mr. Speaker, it is a question of privilege relating to a statement made by a minister as reported in *Hansard* on which I would like to speak.

Mr. Speaker: Order, please. This would require the unanimous consent of the House. The Leader of the Opposition is suggesting a procedure which is entirely unknown to me and entirely new in so far as the rules are concerned. I doubt very much whether we should get the House involved in any procedure whereby every member, including the Leader of the Opposition, can rise on motions and make a statement about something in *Hansard* with which he disagrees. If the Leader of the Opposition has a question of privilege, he knows much better than I do what the rules are. He is required to give notice to the Chair. At the same time the Leader of the Opposition, because of his office, enjoys a special position in this chamber, and I would think there might be agreement to allow the Leader of the Opposition to indicate what his statement is. Is this agreed?

Some hon. Members: Agreed.

Mr. Stanfield: Mr. Speaker, it relates to a statement in *Hansard* by the Parliamentary Secretary to the President of the Privy Council replying to a question put by my colleague, the right hon. member for Prince Albert, regarding the removal of the coat of arms from departmental and ministerial stationery. It is recorded at page 1173 of *Hansard*. In replying to the question the Parliamentary Secretary refers to a statement of policy made in the House on October 23. In the House the Parliamentary Secretary attributed the policy statement to the Hon. Robert Stanbury, and I do not object to that, but I do take exception to the *Hansard* account which indicates the Parliamentary Secretary as saying that the October 23 policy statement was made by the Hon. Robert L. Stanfield. Surely, Mr. Speaker, I would have said something quite different with regard to the removing of the Coat of Arms from government stationery, but in defence of the author of the error I suppose I should be prepared to admit that the statements I have made about the government's stationary policy and stationary attitude on many issues may have contributed to this peculiar error.

• (2:10 p.m.)

* * *

TERRITORIAL SEA AND FISHING ZONES ACT

AMENDMENT TO EXTEND CANADIAN FISHING LIMITS

Mr. David Anderson (Esquimalt-Saanich) moved for leave to introduce Bill C-195, to amend the Territorial Sea and Fishing Zones Act.

Some hon. Members: Explain.

Mr. Anderson: Mr. Speaker, this bill is precisely the same as one I introduced last year and would extend exclusive Canadian fishing limits to the edge of the continental shelf and continental slope. The purpose is, first, the protection of the resources which at present are being greatly exploited by other nations and, second, to protect the livelihood of Canadian fishermen from the encroachments of foreign fleets.

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

* * *

CANADIAN BOOK PUBLISHING DEVELOPMENT CORPORATION

On the order: Introduction of Bills:

November 16, 1970—Mr. Howard (Skeena)—Bill intituled "An Act respecting the Canadian Book Publishing Development Corporation".

Mr. Speaker: Order. The hon. member for Skeena has just filed with the Chair a copy of his proposed bill. I have not had an opportunity to look into it in detail, but the title is "An Act respecting the Canadian Book Publishing Development Corporation." The hon. member proposes the establishment of a corporation. Clause 6 states that the members are to be paid a remuneration and reasonable travelling and living expenses. This bill appears to me on first glance to have clear money provisions. I would not want to make a ruling at this point,

but I would like to have an opportunity to look at the bill further. If it is not in order it cannot be put to the House. Having had a first glance at it, I think I should have a second glance.

Mr. Howard (Skeena): Mr. Speaker, you are to be congratulated on your perceptive eye, but the bill deals with Canadian authority and Canadian integrity in the book publishing industry, and because of the hypocrisy of the Liberal party in this matter—

Mr. Speaker: Order, please. I suggest to the hon. member that if there is to be a debate on the acceptability of the bill this should be done in due course, but at the present time I indicate to the hon. member that I would like to have a further look at the bill. He is on notice that there may be procedural difficulties about the bill, and when the matter comes up for discussion I would think he would be prepared at that time to make the arguments which he appears to want to submit for the consideration of the Chair and of hon. members at this time.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

INFORMATION REGARDING WHEAT SALES TO FOREIGN COUNTRIES

Question No. 10—**Mr. Rondeau:**

1. During the past five years, what has been, in chronological order, the name of the authorized agent who negotiated the transaction on behalf of Canada for each of the wheat sales to foreign countries?

2. What was the approximate sale price for each of these sales of Canadian wheat abroad?

[*Translation*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): 1. & 2. The Canadian Wheat Board advises that it is not its policy to disclose information concerning the competitive position of accredited agents of the Board. The following firms are accredited export agents of the Canadian Wheat Board.

Accredited Export Agents of the Canadian Wheat Board

Eastern Agents: Agro Company of Canada Ltd.; Anglo Canadian Grain Company Ltd.; Bunge Corporation Limited; Cargill Grain Company Limited; Cargill Manitoba Company Limited; Continental Grain Co. (Canada) Ltd.; Federal Grain Limited; The Grain Growers Export Co. Limited; Louis Dreyfus Canada Limited; Maple Leaf Mills Limited (Maple Leaf Milling Division); Maple Leaf Mills Limited (Toronto Elevator Division); Mardorf, Peach & Co. (Canada) Ltd.; McCabe Grain Company Limited; Norris Grain Company Limited; Northern Sales (1963) Limited; Ogilvie Flour Mills Company Limited; Parrish & Heimbecker Limited; Range Grain Company Ltd.; Ranks Hovis McDougall (Canada) Ltd.; James Richardson & Sons, Limited; Robin Hood Multifoods Limited; Saskatchewan Wheat Pool; Scottish Co-operative Wholesale Society Limited; Smith, Vincent & Co., Limited XCAN Grain Limited.

Western Agents: Agro Company of Canada Ltd.; Bunge Corporation Limited; Cargill Grain Company Limited; Cargill Manitoba Company Limited; Continental Grain Co. (Canada) Ltd.; East Asiatic Co. (Canada) Ltd.; Federal Grain Limited; Louis Dreyfus Canada Ltd.; McCabe Grain Co. Ltd.; Northern Sales (1963) Limited; Pacific Elevators Limited; Pacific Grain Corporation Ltd.; Powell-Lester Grain & Shipping Limited; James Richardson & Sons, Limited; Ranks Hovis McDougall (Canada) Ltd., Saskatchewan Wheat Pool; XCAN Grain Limited.

[*English*]

HALIFAX HARBOUR—DEVELOPMENT POLICY RELATING TO DARTMOUTH SIDE

Question No. 83—**Mr. Forrestall:**

1. With reference to the reply to Question Number 2,535 that specific steps to formulate a development policy with the Dartmouth side of the Halifax Harbour would depend on consultation with local interests, can the government state what steps have been initiated by it to further such consultation with local interests, can the government state what steps have been initiated by it to further such consultation with local interests and evolve the development policy?

2. What specific proposals are being considered by the government under the DREE Program for the development of the Dartmouth side of the Halifax Harbour?

3. What specific proposals are being considered under the DREE program for the development of the Halifax Harbour and the Bedford Basin?

4. Is the government considering any expansion proposals of the port in its facilities which do not include the Dartmouth side?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): The Department of Regional Economic Expansion and the National Harbours Board advise as follows: 1. The Department of Regional Economic Expansion develops plans in cooperation with the Province, which consults local interests in the process.

The National Harbours Board learned in the spring of 1970 that a Management Consultants firm, Stevenson & Kellog Ltd., had been commissioned to undertake on behalf of the Halifax-Dartmouth Port Commission a study of the future of Halifax harbour. While awaiting the receipt of this report, the Board has not initiated steps to further consultation with local interests.

2 and 3. A wide range of proposals, developed with such consultation, are presently under consideration and it is not possible at present to identify the specific projects that may be decided on.

4. For any expansion proposals, the National Harbours Board considers the whole area within its jurisdiction as a single unit. No new major projects are contemplated at the present time.

DE HAVILAND 125, CF-CFL ACCIDENT

Question No. 122—**Mr. Forrestall:**

1. With reference to the News Release dated May 27, 1970, No. 26-70 of the Department of Transport, what steps have been taken to ensure that procedural errors will not reoccur?

2. To what specific "system procedural error" is the News Release referring?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. The method of handling amendments to Canada Air Pilot in area control centres has been changed to reduce the possibility of error. The methods used, by Unit Chiefs to ensure that these changes are brought to the immediate attention of the Unit Control Staff, have been revised and steps taken to provide a more positive check that all copies of cancelled procedures are promptly removed and destroyed.

2. The "system procedural error", was that the Moncton Centre's copy of Canada Air Pilot was amended by removing the cancelled WK beacon Approach Plate for Wabush Airport, in May 1969. However, there were additional copies of this Plate, contained in Sector binders located at the control boards and through an oversight, these copies were not removed with the result that controllers continued to issue clearances for the "WK" approach after it had been cancelled.

DARTMOUTH PUBLIC WHARF

Question No. 127—**Mr. Forrestall:**

When does the government intend to do something for the people of Dartmouth with respect to the existing condemned Dartmouth Public Wharf?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): In so far as the National Harbours Board is concerned: A consulting firm has recently completed a report to determine what should be done with regard to the wharf at Dartmouth. Recommendations are expected shortly from the management of Halifax Harbour.

HALIFAX INTERNATIONAL AIRPORT

Question No. 132—**Mr. Forrestall:**

1. For what reasons was the Halifax International Airport not included in the list of airports at which technical stops by aircraft would incur greatly reduced charges?

2. Is the decision open to review?

3. Will the government review their decision to exclude the Halifax International Airport in light of real possibility for increased employment opportunities?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. This program was introduced on a trial basis to ascertain whether reduced landing fees would attract trans-oceanic flights for technical stop purposes. The sites chosen were those with greater overflight traffic. On that basis Halifax was not included.

2. The results of the program cannot be fully assessed until late 1971.

3. Yes, if assessment of the program next year indicates it has been successful in increasing business at the airports now included in the scheme.

APPLICATIONS TO FLY INTO CANADA BY USA BASED AIR CHARTER COMPANIES

Question No. 153—**Mr. Reid:**

1. In the past 5 years, how many USA based air charter companies have made application to fly into Canada, and how many were granted?

2. Into which of the following regions did they make application for, and how many of them were granted (a) British Columbia (b) Alberta (c) Saskatchewan (d) Manitoba (e) North-Western Ontario (f) Ontario (g) Quebec (h) New Brunswick (i) Nova Scotia?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission advises as follows: 1. No. of application received 1966-1970, 463; granted, 383; outstanding (1970), 80.

		Outstanding
2. (a) British Columbia	33	2
(b) Alberta	24	0
(c) Saskatchewan	14	2
(d) Manitoba	33	11
(e) North-Western Ontario	31	10
(f) Ontario	98	19
(g) Quebec	122	34
(h) New Brunswick	14	1
(i) Nova Scotia	14	1

NORTHERN RESOURCE ROADS PROGRAM

Question No. 186—**Mr. Harding:**

1. What was the total federal financial contribution for access roads under the Northern Resource Roads Program for the years 1964 to 1969 inclusive?

2. How many companies or individuals received grants under this Program?

3. What was (a) the name of each company or individual receiving a grant (b) the amount of the grant received (d) the type of mining operation in each case (e) the total cost of each project?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. $2,265,295.16.

2. 9.

3. (a) Name of company	(b) Grand paid	(d) Type of operation	(e) Estimated expenditure
Cassiar Asbestos	$968,000.00	Mineral Exploration	$3,066,000.00
New Imperial Mines Ltd.	52,141.16	Mineral Exploration	85,000.00
Canada Tungsten	69,773.00	Mineral Exploration	150,000.00
Canoe River Exploration	44,381.00	Oil Exploration	155,000.00
Venus Mines Ltd.	115,000.00	Mineral Exploration	313,660.69
J. Ray McDermott Canada Ltd.	50,000.00	Oil Exploration	125,256.66
Mount Nansen Mines Ltd.	50,000.00	Mineral Exploration	313,991.32
Arctic Gold & Silver Mines Ltd.	100,000.00	Mineral Exploration	250,000.00
Anvil Mining Corporation Ltd.	816,000.00	Mineral Exploration	2,280,000.00

Questions

DVA STAFF AT CANADA HOUSE, LONDON, ENGLAND

Question No. 204—**Mr. MacRae:**

Is the government giving consideration to providing staff at Canada House in London, England to deal with the cases of Canadian veterans and their dependents residing in Great Britain?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Yes.

MILITIA SUMMER PROGRAM

Question No. 240—**Mr. Robinson:**

1. Will the federal government consider the importance of continuing the Militia Summer Program and extend it for all students?

2. How many students took advantage of the Militia Summer training and what was the cost of the program?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Manpower and Immigration and by the Department of National Defence as follows: 1. In any discussion the government might have concerning students, no doubt the Militia Summer Program would be carefully considered in all its aspects.

2. Various programs were undertaken in support of the Government's decision to assist students in finding employment during the summer of 1970. These included: (a) Casual labourers employed at bases and stations; (b) Additional personnel on militia training; (c) Additional personnel on cadet training; (d) Personnel on trades training (pilot project); (e) Labourers employed on range clearance (bush and logs).

The final report on these programs, including actual expenditures, has not been completed yet, but approximately 7,750 additional personnel took militia training. The funds budgeted for Militia training were $4,500,000.

ENGINEERING—ECONOMIC FEASIBILITY REPORT LAKE ERIE—INTERNATIONAL CROSSING

Question No. 262—**Mr. Thompson:**

1. Is the Government of Canada aware of or has it been consulted with regard to the study entitled "Engineering-Economic Feasibility Report Lake Erie-International Crossing" prepared by Howard, Needles, Tammen & Bergendoff, Consulting Engineers, 1805 Grand Avenue, Kansas City, Missouri, dated March, 1969 and, if so, what is the estimated cost of the project which would build a bridge across Lake Erie, providing a road link directly between southwest Ontario and the State of Ohio?

2. Has consideration been given to the implications of the construction of this bridge as it might affect water currents in Lake Erie?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. No.

2. Not applicable.

[Mr. Chrétien.]

UTILIZATION OF MEAFORD RANGE PROPERTY—ST. VINCENT TOWNSHIP, GREY COUNTY

Question No. 292—**Mr. Noble:**

Has any department indicated to the Department of National Defence its desire to utilize the property which was used as a tank range in St. Vincent Township, Grey County?

Hon. Donald S. Macdonald (Minister of National Defence): Yes, in May 1970 the Department of Indian Affairs and Northern Development advised that they are interested in this property.

CLEARING OF UNDETONATED EXPLOSIVES—MEAFORD RANGE, GREY COUNTY

Question No. 293—**Mr. Noble:**

Is it the intention of the government to establish measures for the purpose of collecting any live ammunition that may be hazardous in the target areas of the Meaford Tank Range and, if so, when will this work be done?

Hon. Donald S. Macdonald (Minister of National Defence): Service procedures require that the officer-in-charge of live firing exercises destroy any live ammunition that does not detonate on contact with its target. There are, however, instances when such ammunition cannot be located and destroyed. As a general policy, National Defence can not dispose for other uses property that is unsafe. The Defence Research Board is examining feasible technical methods of economically clearing and rendering safe areas polluted with undetonated explosives. This study will include consideration of the particular problem at the Meaford Range. However, it is not known at the present time when this study will be completed, or whether it will be practicable to undertake the task.

DVA—MAN-HOURS SAVED AS RESULT OF USE OF COMPUTERS

Question No. 301—**Mr. Robinson:**

How many man-hours have been saved as a result of the utilization of computers by the Department of Veterans Affairs during each year since computers have been used?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): The use of computers has not contributed directly to a saving in man-hours. It has, however, contributed directly to the provision of additional and more useful information which would have required an increase in man-hours if a computer were not used.

DVA—LAY-OFFS AND HIRING DUE TO UTILIZATION OF COMPUTERS

Question No. 302—**Mr. Robinson:**

As a result of the use of computers by the Department of Veterans Affairs how many employees have been (a) laid off (b) hired?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): (a) None. (b) Nine. It is noted that additional and more useful information has been available since introducing the use of a computer.

HMCS *BRAS D'OR*

Question No. 312—**Mr. Rodrigue:**

1. Are construction and development works on *HMCS Bras d'Or* completed?

2. What has been the capital investment for this ship to date?

[*Translation*]

Hon. Donald S. Macdonald (Minister of National Defence): 1. Construction was completed and the ship was formally delivered by the builder on 2 May, 1969. Formal acceptance marking completion of all calm water foilborne trials has not yet taken place. HMCS BRAS D'OR is a development model ship and as such will be the subject of continuing development work.

2. Funds committed to 31 October, 1970, amounted to $51,448,821 of which approximately $1,500,000 has not yet been spent. The authorized ceiling for the project is $52,200,000 which includes $2,200,000 for the replacement foil, other spares, as well as operating and maintenance costs until completion of the current trials.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPARTMENT OF MANPOWER AND IMMIGRATION—RESIGNATIONS

Question No. 96—**Mr. Orlikow:**

Since January 1, 1969, what individuals in professional, administrative and financial occupations have left the Department of Manpower and Immigration and, in each case, what were their respective positions and responsibilities?

Return tabled.

LANDINGS BY LONG-DISTANCE JETS AT CANADIAN AIRPORTS

Question No. 135—**Mr. McCleave:**

1. How many long-distance jets, flying from Europe to Western United States airports, have made technical stops at Canadian airports to take on fuel and food and change flight crews, for each month since January, 1968, and by airport?

2. What are the landing charges both for technical landings and ordinary landings at each of the Canadian airports listed in Part 1?

3. Have there been changes in the charges involving such technical landings since January, 1968 and, if so, where and by what amounts?

Return tabled.

MOTIONS FOR PAPERS

[*Translation*]

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, motions Nos. 142 and 146 are acceptable to the government.

Motions for Papers

[*English*]

REPORTS ENTITLED "SULPHATE AND SULPHURIC ACID LEVELS IN WINDSOR AIR" AND "THE CALCIUM TO SULPHATE RATIO IN WINDSOR AIR"

Motion No. 142—**Mr. Harding:**

That an Order of the House do issue for copies of two reports undertaken in the Department of National Health and Welfare entitled "Sulphate and Sulphuric Acid Levels in Windsor Air" and "The Calcium to Sulphate Ratio in Windsor Air".

Motion agreed to.

POLLUTANT EMISSIONS OF LEADED AND NON-LEADED GASOLINES

Motion No. 146—**Mr. Hales:**

That an Order of the House do issue for copies of all non-classified documents in possession of the National Research Council and/or the Department of Energy, Mines and Resources, whether or not originated by these Departments, dealing with the pollutant emissions of leaded and non-leaded gasolines.

Motion agreed to.

[*Translation*]

Mr. Jerome: Mr. Speaker, motions Nos. 93 and 144 are acceptable to the government, subject to the usual reservations relating to confidential documents and consent of governmental authorities concerned.

[*English*]

Mr. Speaker: Subject to the reservations and conditions expressed by the Parliamentary Secretary, is it the pleasure of the House that motions Nos. 93 and 144 be deemed to have been adopted?

Some hon. Members: Agreed.

POSSIBLE CLOSING OF CANADIAN FORCES BASE, PORTAGE LA PRAIRIE

Motion No. 93—**Mr. Rowland:**

That an Order of the House do issue for copies of all correspondence dating from June 25, 1968, between the Prime Minister, the Minister of National Defence, the Minister of Regional Economic Expansion and all persons, including Members of Parliament, writing with respect to the possible closure of the Canadian Forces Base, Portage la Prairie.

Motion agreed to.

MAIL CONTRACTS AWARDED IN THE CONSTITUENCY OF LOTBINIÈRE

Motion No. 144—**Mr. Fortin:**

That an Order of the House do issue for a copy of all mail contracts awarded in the federal constituency of Lotbinière with an indication of (a) the tenderers (b) the expiry date (c) the amount of each.

Motion agreed to.

[*Translation*]

Mr. Jerome: Mr. Speaker, would you be so kind as to call motions Nos. 30, 42, 49, 52, 57, 59, 74, 79, 92 and 100?

Motions for Papers

[*English*]

FOREIGN DEGREES AND DIPLOMAS—STUDY OF GUIDELINES FOR CANADIAN EQUIVALENCE

Motion No. 30—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the study by the Association of Universities and Colleges of Canada, Ottawa, undertaken for the Department of Manpower and Immigration regarding "Development of guidelines by which Canadian equivalence can be established for degrees and diplomas in foreign countries".

[*Translation*]

Mr. Chas. L. Caccia (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the study referred to in this motion was carried out under contract to the department. It is confidential in nature and would not therefore be in the public interest to reveal its contents. In view of this, I would ask the hon. member to please withdraw his motion.

[*English*]

Mr. Orlikow: Mr. Speaker, for the life of me I cannot see how this kind of information can be considered confidential and I certainly cannot agree to withdraw the motion.

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Macdonald (Rosedale): Transfer for debate.

Mr. Speaker: Transferred for debate.

REPORT ON MILITARY EXERCISES IN CANADIAN NORTH

Motion No. 42—**Mr. Thomson:**

That an Order of the House do issue for a copy of the reconnaissance report undertaken by General Gilles Turcot, Commander of the DND Mobile Command, regarding military exercises in the Canadian North.

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, I have been in touch with the hon. member for Battleford-Kindersley with regard to this motion. I gather as a result of that exchange that he would be agreeable to withdrawing the motion.

Mr. Thomson: Agreed.

Order discharged and motion withdrawn.

REPORT BY THE INTERDEPARTMENTAL COMMITTEE ON PESTICIDES

Motion No. 49—**Mr. Gleave:**

That an Order of the House do issue for a copy of the Report by the Interdepartmental Committee on Pesticides, dated February 5, 1970, mentioned by the Minister of Agriculture in *Hansard* of April 21, 1970, at page 6105.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move this motion on behalf of the hon. member for Saskatoon-Biggar.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, on behalf of the Minister of Agriculture I may advise the hon. member that this is a report from an interdepartmental committee to the minister and is considered to be a privileged document.

I would therefore respectfully ask the hon. member to withdraw his motion.

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Macdonald (Rosedale): Transfer for debate.

Mr. Speaker: Transferred for debate.

SURVEY OF RETAIL PRICES OF CERTAIN DRUGS

Motion No. 52—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the survey on the retail prices of nineteen commonly prescribed drugs undertaken by the Department of Consumer and Corporate Affairs as mentioned by the Minister of Consumer and Corporate Affairs in his speech before the Federal-Provincial Conference, June 10-12, 1970.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, the information requested in this motion has already been tabled under motion No. 519 on October 14, 1970, as found in *Votes and Proceedings* No. 4, page 21, and the contents are contained in sessional paper No. 283-3/519. In view of this, the hon. member may wish to withdraw his motion.

Mr. Orlikow: Under the circumstances I will withdraw the motion.

Order discharged and motion withdrawn.

REPORT ON UNITED STATES INTERNAL FOOD-AID PROGRAM

Motion No. 57—**Mrs. MacInnis:**

That an Order of the House do issue for a copy of the report undertaken in the Department of Agriculture on the United States Internal Food-Aid Program and its application to Canada.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, on behalf of the Minister of Agriculture I may advise the hon. member that no formal report has ever been made by the Department of Agriculture on the United States internal food aid program and its application to Canada. An analysis of the program referred to was for departmental use and is considered to be confidential. I would therefore respectfully ask the hon. member to withdraw her motion.

Mrs. MacInnis: I cannot see the reason for this, Mr. Speaker, and consequently I should like to transfer it for debate.

Mr. Speaker: Transferred for debate.

FUNCTIONS OF CONSUMER COUNCIL OF CANADA

Motion No. 59—**Mrs. MacInnis:**

That an Order of the House do issue for copies of all correspondence between the Minister of Consumer and Corporate Affairs and members of the Consumer Council of Canada re-

garding the functions of the Council, as mentioned by the Minister and reported in *Hansard* of December 3, 1969.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, the correspondence requested in this motion was between myself and the individual members of the Consumer Council on a personal and confidential basis, and I would therefore ask the hon. member to withdraw the motion.

Mrs. MacInnis: Mr. Speaker, in view of the fact that a lot of it was published in the press I would like to get the rest, so I should like the question to be put.

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

Some hon. Members: Question.

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

Some hon. Members: No.

Mr. Speaker: All those in favour please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion (Mrs. MacInnis) which was negatived on the following division:

Division

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Baldwin
Barnett
Beaudoin
Bell
Benjamin
Burton
Cadieu
Carter
Coates
Crouse
Danforth
Diefenbaker
Dionne
Douglas (Nanaimo-Cowichan-The Islands)
Downey
Fairweather
Flemming
Fortin
Gauthier
Gilbert
Godin
Grills
Gundlock
Harding
Harkness
Hees
Horner
Howard (Skeena)
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Edmonton West)
Laprise
La Salle
Lundrigan
MacEwan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
MacRae
McCleave
McCutcheon
McGrath
McIntosh
Mather
Matte
Mazankowski
Monteith
Moore
Muir
Nielsen
Noble
Orlikow
Paproski
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rose
Rynard
Saltsman
Schumacher
Scott
Simpson
Skoberg
Southam
Stanfield
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Woolliams
Yewchuk—76.

NAYS

Messrs:

Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blouin
Borrie
Breau
Brown
Buchanan
Caccia
Cafik
Cobbe
Comtois
Corbin
Côté (Longueuil)
Crossman
Cyr
Danson
Deachman
De Bané
Douglas (Assiniboia)
Drury
Duquet
Émard
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Givens
Goode
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hellyer
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jerome
Laflamme
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
Mackasey
McIlraith
McNulty
Major
Marchand (Langelier)
Mongrain
Munro
Murphy
Noël
Osler
Otto
Pelletier
Pepin
Perrault
Portelance
Pringle
Reid
Richard
Richardson
Rock
Roy (Timmins)
Roy (Laval)
Serré
Sharp
Smerchanski
Smith (Saint-Jean)
Stafford
Stewart (Cochrane)
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Weatherhead
Whelan
Whiting—100.

Motions for Papers

FEES PAID BY PRIVATE AIRCRAFT USING DEPARTMENT OF TRANSPORT FACILITIES

Motion No. 74—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the review on user charges and fees paid by private aircraft using the facilities provided by the Department of Transport as mentioned by the Minister without Portfolio in *Hansard* of November 26, 1969 on page 1291.

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the whole matter of user charges and fees is in the process of being revised. However it is not anticipated that the revision will be completed before the fall of 1971.

I would therefore ask the hon. member to kindly withdraw his motion.

[*English*]

Mr. Skoberg: I agree, Mr. Speaker.

[*Translation*]

Mr. Speaker: Motion is withdrawn.

Order discharged and motion withdrawn.

[*English*]

CONSULTANT REPORT FINANCIAL MANAGEMENT IN AIR TRANSPORT COMMAND—1966

Motion No. 79—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by Simpson, Riddell, Stead and Partners on the financial management in Air Transport Command undertaken in 1966 for the Department of National Defence, as mentioned in answer to Question Number 1,323 of the 1st Session of this Parliament.

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, I have been in touch with the hon. member in regard to his motion and I believe he is agreeable to withdrawing it.

Mr. Skoberg: Mr. Speaker, the minister has made two good touches today. I agree.

Order discharged and motion withdrawn.

1967-68 CONSULTANT REPORT, DESIGN OF MANAGEMENT INFORMATION SYSTEM

Motion No. 82—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by Operations Research industries, a study and recommendation on the design of a management-information system supporting the departmental planning, programming and budgeting system, undertaken for the Department of Manpower and Immigration in the fiscal year 1967-68, as mentioned in answer to Question No. 1,323 of the 1st Session of this Parliament.

[*Translation*]

Mr. Chas. L. Caccia (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the hon. member is requesting a copy of a report prepared by a private firm for the department. This report contains matters confidential to the department, and therefore I regret it cannot be tabled. Under the circumstances, I would ask the hon. member to withdraw his motion.

[*English*]

Mr. Skoberg: Mr. Speaker, I cannot agree to that. I ask that the motion be transferred for debate.

Mr. Speaker: Transferred for debate.

AGRICULTURE—REPORT ON EFFICIENCY OF BILL TO ESTABLISH NATIONAL MARKETING BOARDS

Motion No. 100—**Mr. Baldwin:**

That an Order of the House do issue for a copy or transcript of the report, received by the federal-provincial conference to consider matters of current concern and held in Ottawa on 16 September 1970, that Bill C-197, the Farm Products Marketing Agencies Bill, would enable national marketing boards to be established which could help to meet the marketing problems being encountered in the interprovincial marketing of certain agricultural products, and which report is incorporated by reference thereto in a paper, published and dated the 16th September 1970, titled and purporting to be a "Statement of Conclusions", at page 3, paragraph 13 thereof.

Mr. Barney Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, the report requested by the hon. member was made orally to the conference, which by agreement of the participating parties was closed. I think the hon. member will agree that an oral statement is not worth the paper it is printed on anyway. Only the statement of conclusions was authorized for publication. For this reason I would ask the hon. member to withdraw this motion.

Mr. Baldwin: This is agreeable, Mr. Speaker. We find that the oral statements we get from that side of the House are not worth the paper they should be written on.

Mr. Speaker: The Chair is at a loss as to how to interpret the hon. member's reply. Is the motion withdrawn, transferred for debate, dropped, or do we vote?

Mr. Baldwin: Withdrawn.

Mr. Speaker: Motion withdrawn.

Order discharged and motion withdrawn.

[*Translation*]

Mr. Jerome: Mr. Speaker, I ask that the remaining notices of motions be allowed to stand.

[*English*]

Mr. Speaker: Shall the remaining motions stand?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

CONSULTATIONS WITH PROVINCES ON METHODS OF STIMULATING EMPLOYMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance who I am glad to see back in the House looking alive and apparently well. We missed him while he was

away; we found it difficult to get information. May I ask the minister whether there have been and are consultations going on with the provinces in regard to methods of easing unemployment this winter?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I should also like to welcome my hon. friend back to the House since he was not here on most of the days I was here last week.

Some hon. Members: Oh, oh!

Mr. Baldwin: Gentle Ben.

Mr. Benson: May I also indicate that I did not expect while in western Canada immediately to understand in a couple of days all of the problems in that part of Canada, as my hon. friend attempted to do in Toronto.

An hon. Member: Remember Lisgar.

Mr. Speaker: Order, please. I suggest to the minister that he should now get around to answering the question.

Some hon. Members: Hear, hear!

Mr. Benson: In direct answer to the question, may I say we are continuously reviewing methods for improving the economic situation in Canada, and in doing this we are in constant consultation with the provinces.

Mr. Stanfield: Then I gather the answer is that no such consultations are going on. I wonder whether the government of Canada has made any proposals of a joint nature to the provinces for their consideration in order to stimulate employment this winter?

Mr. Benson: Mr. Speaker, I think it would be quite improper for the government of Canada to make proposals to the provinces without first presenting them to the members of this House.

Mr. Stanfield: The air in the mountains must have been rather heady, Mr. Speaker. I should like to ask the minister whether it is his present intention to present a budget to the House before Christmas?

Mr. Benson: No such decision has been made at the present time, Mr. Speaker.

INVESTIGATION OF PRICE INCREASES BY STEEL COMPANY OF CANADA

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Consumer and Corporate Affairs. In view of the announcement by the Steel Company of Canada that it intends to increase its prices by 3.3 per cent up to 5.3 per cent, allegedly due to increased labour and material costs despite the fact that the labour contracts were negotiated over a year ago, may I ask the minister whether he is investigating this matter, and what action he and his department propose to take with respect to what appears on the surface to be an unnecessary increase?

Inquiries of the Ministry

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Prices and Incomes Commission launched an inquiry into these increases yesterday.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question which I should like to address to the Prime Minister. In view of the fact that investigations by the Prices and Incomes Commission have generally resulted in price increases and no action, would the Prime Minister be prepared to refer the whole question of labour and material costs, operation costs, profits and dividends of the steel industry over recent years either to the Standing Committee on Finance, Trade and Economic Affairs or to a special inquiry set up by the government?

Right Hon. P. E. Trudeau (Prime Minister): I will take that into consideration, Mr. Speaker.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A further supplementary question. While the Prime Minister is taking that into consideration, may I ask him whether he would be prepared to take the necessary action and ask the steel industry to hold prices where they are pending the Prime Minister's decision on this matter?

Mr. Trudeau: Well, Mr. Speaker, I have attempted to do this over the past year with other sectors of the economy but I was not very successful.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

WAR MEASURES ACT—TAPING OF STATEMENT BY MICHEL CHARTRAND WHILE IN JAIL

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the Prime Minister.

Further to my question of yesterday to the right hon. gentleman concerning the recording of a statement by Michel Chartrand on magnetic tape, while in detention, and the smuggling out of the tape under the nose of policemen or guards, is the Prime Minister in a position to clarify the matter today?

Right Hon. P. E. Trudeau (Prime Minister): Unfortunately I am not, Mr. Speaker. I have obtained no satisfactory information since yesterday. I understand that the Minister of Justice of the province of Quebec has called for an inquiry on this subject and that the police is—

[*English*]

Mr. Fairweather: Do they allow television?

[*Translation*]

Mr. Trudeau: Excuse me. Does the hon. member have something to say?

Apparently the results of the inquiry are not yet known.

Inquiries of the Ministry

[*English*]

FINANCE

PRIME INTEREST RATE—GOVERNMENT ACTION TO BRING ABOUT FURTHER REDUCTION BY BANKS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance. In order to stimulate the economy, is it the intention of the minister and the government to urge the chartered banks strongly to make a further reduction in the prime interest rate before the end of the year in view of recent further and substantial reductions made by the Bank of Canada, the United States Federal Reserve Board and United States chartered banks, which clearly indicate that a further reduction by the chartered banks in Canada is not only justifiable—

Mr. Speaker: Order, please.

Mr. Hees: —but very necessary in order to stimulate the economy?

Mr. Speaker: Order, please.

Mr. Hees: May I have an answer, Mr. Speaker?

Mr. Speaker: I suggest to the hon. member that the question was so long it was difficult to determine whether it was a question or perhaps a little more than that. Would the hon. member state his question briefly.

Mr. Hees: May I state my question a little more briefly. In view of what I have said, is it the intention of the government strongly to urge the chartered banks to make a further reduction in the prime rate before the end of the year?

Hon. E. J. Benson (Minister of Finance): If we decide to do this, Mr. Speaker, my hon. friend will know very quickly.

Mr. Hees: Mr. Speaker, I have a supplementary question since the minister has obviously not so decided. When does he intend to start acting like a financial leader instead of the Charlie McCarthy of the chartered banks?

Mr. Speaker: Order, please.

* * *

SCIENCE

SPACE EXPLORATION—SUGGESTIONS MADE BY PRESIDENT OF TREASURY BOARD

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the President of the Treasury Board who apparently is now the spokesman for the government on the subject of space exploration. Do his remarks last night to the Canadian Aeronautics and Space Congress indicate that the government of Canada contemplates seeking associate membership in the planned European space organization, or what was the purpose of the prophecies he made during a most interesting speech?

[Mr. Trudeau.]

Mr. Speaker: Order, please. The minister should be allowed to reply to the question, but I would think the question should be asked directly rather than by reference to what was said outside the House. Having said that, the minister may reply to the question.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, rather than give a lengthy answer I would be glad to send the right hon. gentleman a copy of the speech to read in which he will see that the suggestions made were specifically and explicitly stated to be hypothetical and exploratory.

Mr. Diefenbaker: Mr. Speaker, that is about the first time I have heard a minister of this government tell the truth.

Mr. Speaker: Order, please. Has the hon. member a supplementary?

Mr. Robert McCleave (Halifax-East Hants): Yes, I have, Mr. Speaker. My supplementary question for the President of the Treasury Board is simply this: Does the government's space program merely involve the flying of a kite?

Mr. Speaker: Order, please.

* * *

MANPOWER

LACK OF EMPLOYMENT FOR UNIVERSITY GRADUATES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Has the minister taken into account the reports from various parts of the country, from many organizations of graduate students in Toronto and elsewhere, which highlight the growing unemployment of post-graduate students numbering not hundreds but thousands who have graduated from Canada schools, and has he looked into the matter of applying reciprocity to Great Britain and the United States regarding the admissibility of post-graduate students to work in our institutions and industries?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I presume the reference to reciprocity indicates a desire to explore opportunities for these people abroad. The reports, of course, speak largely of a future situation. It would be our hope that we can maintain employment in Canada for as many of these people as possible. It has been only in recent history that it was a major objective of the Canadian community to attract and retain as many of these people as possible within Canada and I think this will remain the objective.

Mr. Lambert (Edmonton West): Mr. Speaker, has the minister had an opportunity to consult with his manpower centres to ascertain the number of these graduates who are unemployed and have no hope of obtaining work in Canada in the foreseeable future?

Mr. Speaker: Order, please.

[*Later:*]

APPOINTMENT OF CANADIAN GRADUATES TO UNIVERSITY TEACHING POSITIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a supplementary question to the Minister of Manpower and Immigration. In view of the difficulties Canadian graduate students of Ph.D. level and lower are having in finding jobs teaching in universities, will his department be discussing with the organization of Canadian universities the whole program of filling teaching positions and whether there ought to be a greater drive to fill them with Canadian graduates?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I think there have been quite a few discussions on this subject on every level with the universities. They are certainly very much aware of the supply situation, and I am hopeful they will do everything they can to place as many qualified Canadians as possible in the positions which are available.

* * *

REGIONAL ECONOMIC EXPANSION

NEGOTIATIONS WITH PROVINCES ON ASSISTANCE TO DEPRESSED AREAS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. In view of the recent events in the province of Quebec and the fact that certain reports indicate that the federal government is prepared to provide certain funds to that province to alleviate the economic situation there, is the minister prepared at this time to enter into negotiations with the premiers or his counterparts in other provinces where the economic situation is equally bad because of the fact that there is no mobility in the work force and the provinces would like to be able to retain their people? Is he prepared to enter into negotiations with the premiers or his counterparts in these other provinces with a view to giving them the same kind of consideration he is prepared to give to the province of Quebec?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, we are in continuous contact with the provinces about the under-developed regions and the employment situation in said regions.

[*English*]

[*Later:*]

SPECIAL INCENTIVES TO INDUSTRIES TO LOCATE IN SASKATCHEWAN AND NEWFOUNDLAND

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of Regional Economic Expansion. Is the minister giving consideration to providing special incentives to industries to locate in the provinces of Saskatchewan and Newfoundland in view of the failure of the area incentives program, as evidenced by the statistics tabled in the House on November 16, to attract industries to these two provinces?

Mr. Speaker: Order, please. I have indicated my reservation about hon. members asking about each province and each region individually. I would think that if hon. members ask about programs and how they affect each region or province of the country it is doubtful that we would make very much progress. However, the hon. member having asked the question and the Chair having taken a few minutes to comment on it, perhaps the minister might be allowed to reply.

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Thank you, Mr. Speaker. I think that the program, as conceived, will necessarily lead to variations between the provinces, i.e. at a given time, some provinces will profit more from it than others, because of the nature of the industries or of the problems involved. In my opinion, a period of one month, or two or even six months is not long enough to judge this program.

[*English*]

Mr. McGrath: I have a further supplementary, Mr. Speaker. This is a very important question because these are two provinces that have a very high rate of unemployment and this program is not helping these provinces. I repeat my question. Is the minister prepared, especially in light of the additional winter unemployment that is anticipated, to provide special incentives for industries to locate in these two provinces?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, in so far as Newfoundland is concerned, that is the province, I believe, that has the largest number of special areas and, as the federal government is spending large amounts there, this creates employment. As a matter of fact, those citizens of Newfoundland whom I have met tell me that the effects of this program are beginning to be felt.

[*English*]

Mr. Korchinski: What about the northern area of Saskatchewan? Did you ever hear about that?

[*Later:*]

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a supplementary question for the Minister of Regional Economic Expansion. Could he indicate in a statement on motions at a later date, in order to clarify the controversy over incentives to industry, what effect this program has had on the employment situation in Atlantic Canada, and also indicate the extent of unemployment in view of the prediction of 14 per cent in Atlantic Canada this winter and over 20 per cent in the province of Newfoundland?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, a debate on this subject will take place shortly, either today or tomorrow. I shall certainly take part in it and I shall then give all the information required.

Inquiries of the Ministry

[*English*]

IMMIGRATION

IMPLEMENTATION OF RECOMMENDATIONS IN REPORT ON APPLICANTS IN CANADA

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. Does the minister intend to implement the recommendations of the Sedgwick report on immigration problems?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, it is our intention to consider the report very carefully and to come forward in due course with a decision concerning implementation.

* * *

NATIONAL SECURITY

ALLEGED LACK OF POLICE CO-OPERATION IN SEARCH FOR KIDNAPPERS AND MURDERERS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a question to either the Solicitor General or the Minister of Justice. In view of the apparent conflict between the Quebec Provincial Police and the municipal police, has the minister received any information that the conflict has impeded the RCMP in the co-operative investigation, particularly in view of the fact that they have not even been notified of Rose's escape?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, I am not aware of the conflict of which the hon. member speaks, but in any event I want to assure him that the RCMP have not been impeded in their work.

Mr. Woolliams: Would the minister tell us, in his usual factual way, whether either the municipal or provincial police actually informed the RCMP of the fact that Rose and his cohorts had escaped from the apartment in question?

Mr. McIlraith: I am not aware of any factual situation which indicated that Rose and his cohorts did escape. We know that persons escaped. Who they were is not yet established.

An hon. Member: Did they not take their fingerprints?

Mr. McIlraith: Let me say in any event, to deal with the substantive part of the question of the hon. member, that the Royal Canadian Mounted Police were not informed until Tuesday evening of that week.

Mr. Woolliams: I am not going to quarrel over who was there, but in light of the Solicitor General's answer I wonder if he could advise the House why the RCMP were not notified. I heard the minister's answers previously, and I understood there was supposed to be a co-operative investigation by the RCMP, together with the other two police forces. Why were the RCMP not notified?

[Mr. Marchand (Langelier).]

Mr. McIlraith: I regret I am unable to answer the question. I simply do not know.

Right Hon. J. G. Diefenbaker (Prince Albert): I wonder if I could help out the minister with information which I received within the last few minutes. I do not know whether this has been brought to his attention. Quebec Provincial Police Director, Maurice St. Pierre, has stated that the RCMP was not notified about the escape until the following Tuesday, which is what the minister said, "because we had no official notification that the RCMP were on duty Friday night". I ask the minister, is the RCMP co-operating with the Quebec provincial police and the municipal police on selective duty on selected days, or what does this nonsense by Mr. St. Pierre mean?

An hon. Member: Are they on the roster system?

Mr. McIlraith: The right hon. gentleman will have to take responsibility—

Mr. Diefenbaker: I do.

Mr. McIlraith: —for the truthfulness of the document he just read. I simply cannot accept the document as an accurate statement of what the director of the Quebec sureté said.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I have a supplementary question, Mr. Speaker. Was this information not passed on to the minister? Was any information passed on to him? Mr. St. Pierre said that murder and kidnapping fall within his jurisdiction anyway. Is that the way in which the co-operation is taking place, that the Quebec Provincial Police are actually not securing the co-operation of the RCMP?

An hon. Member: Or vice-versa.

Mr. McIlraith: The right hon. gentleman is trying to draw inferences from his questions that the facts do not warrant.

Mr. Diefenbaker: They were three days without notice.

Mr. McIlraith: The RCMP was advised of the arrest of Lortie early Saturday morning.

Mr. Woolliams: What about his friends?

Mr. McIlraith: Dealing with the other matters to which the right hon. gentleman referred, one did not occur until late Saturday and the other incident or discovery on Monday.

Mr. Diefenbaker: The RCMP did not receive any notice until Tuesday night. Is that co-operation on the part of the QPP?

Mr. Speaker: Order. The hon. member for Champlain.

Mr. Woolliams: I wonder if I could ask one question?

Mr. Speaker: Order, please. The Chair has recognized the hon. member for Champlain.

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Prime Minister.

Could he tell the House why he was unable to attend the official funeral of General de Gaulle?

* * *

[*English*]

AGRICULTURE

INTERPROVINCIAL MARKETING—REQUEST FOR REFERENCE TO SUPREME COURT

Mr. H. W. Danforth (Kent-Essex): I would like to address my question to the Minister of Justice. Since there now appears to be a very real danger that the obstruction of the normal interprovincial trade in eggs and broilers brought about by recent provincial regulations may extend to other primary foods and to manufactured goods, will the government now consider referring this question to the Supreme Court of Canada?

Hon. John N. Turner (Minister of Justice): Earlier questions from the hon. member for Peace River and other hon. members prompted from me the answer that I do not feel a reference to the Supreme Court is the best way of handling the situation. I subscribe entirely to the view of the Minister of Agriculture that the piece of legislation before the House is a more satisfactory way. Aside from that, there is no uniformity in the legislation of the various provinces, nor is there any pattern in the factual basis on which the regulations are being administered. Unless there is unanimity on fact, a reference to the Supreme Court would be of no avail.

Mr. Danforth: May I ask this supplementary question of the minister? If this restriction is placed against trade in manufactured goods, it appears it will in no way come under the regulations to be prescribed by the national marketing agency, so will the government give consideration to this new situation that is developing?

Mr. Turner (Ottawa-Carleton): The government will consider all new factors.

Mr. G. W. Baldwin (Peace River): Will the minister not consult with the Attorneys General of the provinces to see whether it is not possible to get agreement on drawing up terms of reference which would deal with this very acute problem threatening the union of our country to see if it cannot be brought to the Supreme Court of Canada?

Mr. Turner (Ottawa-Carleton): At the last meeting of the first ministers, most of the Attorneys General were present. The consensus of that meeting of first ministers was that the best solution was the type of legislation proposed by the Minister of Agriculture.

Mr. Horner: That is no solution at all.

Inquiries of the Ministry

CITIZENSHIP

RESPONSE TO LETTER FROM NATIVE CULTURAL AND COMMUNICATIONS SOCIETY OF ONTARIO

Mr. Frank Howard (Skeena): I should like to direct a question to whoever is the Acting Minister without Portfolio dealing with citizenship matters. Why has there been no response to the letter written to the minister under the date of August 24 of this year by the Native Cultural and Communications Society of Ontario? Out of courtesy at least, could there not be a reply?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I will take note of the question and communicate it to the minister.

* * *

[*English*]

NATIONAL SECURITY

QUEBEC—INFORMATION TO BE PUBLISHED BY POLICE—ALLEGED DIFFERENCE OF OPINION BETWEEN AUTHORITIES

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Solicitor General a question relating to the difference of opinion between the federal authority and the Quebec provincial authority concerning what information should be released by the police. Has any reason been given by a spokesman for the police in Quebec as to why no public statement was made about missing these men until some days afterwards? In view of the difference of opinion between the Quebec and federal authorities as to what information should be published, the police in Quebec are now simply passing information on to Mr. Choquette and having him decide what should be published. What is the difference of opinion between the Quebec and federal authorities as to what information should be published by the police?

Hon. G. J. McIlraith (Solicitor General): I think I should point out to the Leader of the Opposition again that the responsibility for the administration of justice in criminal cases lies with the provincial Attorney General. I am not aware of any difference of opinion between the federal and provincial police authorities as to what should or should not be published. If the hon. gentleman has evidence of some difference of opinion on that point, I would be very grateful to him if he would pass it on to me. I would be glad to explore the matter further.

Mr. Stanfield: Yes, Mr. Speaker. May I be of assistance to the Solicitor General and refer him to the responsible police authorities in the province of Quebec. I suggest to the minister that he might make inquiries in that quarter to find out what the difficulties are.

Mr. McIlraith: I want to deal with that question. I do not think it is good enough, in a matter of this seriousness, just to take every item in every speculative story in the press and rely on what is asserted there as fact.

Some hon. Members: Hear, hear!

Mr. Stanfield: May I ask the Solicitor General whether this is not the proper place to give the responsible minister an opportunity to assert the facts?

Mr. McIlraith: Yes, Mr. Speaker, it is, if a proper question is asked.

Mr. Woolliams: I wish to direct a supplementary question to the Solicitor General, who has gone so far as to state that the RCMP is under his jurisdiction and responsibility. If he has not got the information today would he seek it out and let us have a full statement so far as this mess is concerned, instead of giving all these answers which are mere verbiage?

* * *

HEALTH

INCLUSION OF PARAMEDICAL SERVICES UNDER MEDICARE

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. How many provinces must agree to the inclusion of paramedical services under medicare before these services will be accepted by the federal government as a cost-shared item?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, the policy of the government in the past has been that we would desire a consensus to develop before there is any extension of coverage. Of course, this question was never seriously considered until every province had entered medicare, and that is just about the case now.

Mr. Harding: Is the government considering cost-sharing of paramedical services with any province which will include these services under its medical care program?

Mr. Munro: Mr. Speaker, I wish the hon. member could be a little more specific. Paramedical services cover a very wide area.

Mrs. Grace MacInnis (Vancouver-Kingsway): As a supplementary question, if the optometrists of any one province were to ask him to make an agreement with them under medicare, has the minister the power to make it?

Mr. Speaker: Order, please. The question is not acceptable. The hon. member is asking the minister to express an opinion. I would not think that in those terms the question is in order.

Mrs. MacInnis: Then, may I ask it in a different way. Has the minister met with the optometrists in any one province to consider making an agreement with them, and is he prepared to do so?

Mr. Munro: Mr. Speaker, I met with the optometrists—I do not believe they were from any one particular province but rather representatives of their national association—many months ago to hear their representations to be included in medicare. But as they are well aware, that has to be done through the provinces. If they are to be covered there would have to be agreement between the provinces and the federal government.

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PENSIONS

OLD AGE SECURITY—CLAIMS FOR OVERPAYMENT OF SUPPLEMENTARY BENEFITS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. It concerns a specific case about which I received a lot of letters, that of an old age pensioner who was poor enough to qualify for supplementary benefits. After his death it was found that he had been overpaid by the sum of $6, and a formal claim was filed against his wife, who was in poor circumstances. Would the minister investigate this pernicious practice of making claims for small overpayments of supplementary benefits against the estates of old age pensioners who have been overpaid through the error of the government?

Mr. Speaker: The hon. member's question is in the form of a submission. He will have to take it that his suggestion will be considered by the minister.

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NATIONAL SECURITY

WAR MEASURES CUT—JOBS LOST BY PEOPLE DETAINED AND RELEASED WITHOUT CHARGE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Justice. Perhaps the minister would like to take this question as notice, because obviously the details have to come from the Minister of Justice of Quebec. How many people who were arrested, detained and released without having been charged under the War Measures Act regulations have lost their jobs?

Hon. John N. Turner (Minister of Justice): I will take that question as notice, Mr. Speaker.

* * *

EXTERNAL AFFAIRS

PAKISTAN—ASSISTANCE TO CYCLONE AND FLOOD VICTIMS

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I address my question to the Secretary of State for External Affairs. In view of the tragedy in the Bay of Bengal and Pakistan and continuing reports of the spreading of disease, with loss of life running into the hundreds of thousands, can the minister say whether any relief program, in addition to the original gift to the Red Cross, is being planned by the Canadian government?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as I said in the House the other

day, we have made a gift of $50,000 to the International Red Cross, and we have asked the Pakistani authorities to give us a list of the goods that would be useful in this emergency. As soon as we receive it, we will give it sympathetic consideration.

Mr. Thompson: Has the minister considered the establishment of an office which would be geared to meet such tragedies, and which would be able to cut through the red tape and bureaucracy that often hinders such emergency programs?

Mr. Sharp: Mr. Speaker, I do not think that in the case of Canada there has been any red tape to be cut through. As I say, we are waiting for a list. As soon as we receive it from the Pakistani authorities we will give it sympathetic consideration and act quickly.

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NATIONAL SECURITY

WAR MEASURES ACT—TIME SPENT IN CUBA, ALGERIA OR JORDAN BY THOSE CHARGED

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, I wish to direct a question to the Solicitor General. Has the minister seen fit to have an investigation made to determine whether any of the people arrested and charged under the War Measures Act spent any period of time in Cuba, Algeria or Jordan during the last two years?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, there has been no special investigation ordered on that matter. I do not know that I should give details of the background of particular persons who have been charged, as that may have a bearing on their trial. There is some difficulty in this regard, but there is knowledge on that subject concerning a good many of them.

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GOVERNMENT OFFICES

USE OF PUBLIC TENDER SYSTEM IN LEASING SPACE

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Minister of Public Works. Is the government giving consideration to the use of the public tender system in the securing of leased space for government offices and in securing architectural services?

Hon. Arthur Laing (Minister of Public Works): Yes, Mr. Speaker.

Mr. Coates: As a supplementary question, has a study been under way within the department, and when will the public be made aware of what action the government intends to take in this regard?

Mr. Laing: We have invited tenders for space in the cities of Ottawa and Hull. We now have a variety of offers, but no decision has been made yet in respect of those that will be taken up.

Inquiries of the Ministry

EXTERNAL AFFAIRS

CANADA-UNITED STATES MINISTERIAL MEETING—ITEMS ON AGENDA

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Finance similar to a question I addressed to the Prime Minister the other day. Can he tell us what items will be on the agenda of the Canada-U.S. ministerial conference which is to be held in Ottawa next week, and which ministers will be representing the Canadian government on that occasion?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I will defer to the Secretary of State for External Affairs for an answer to this question.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the agenda has not yet been agreed with our U.S. counterparts so that I cannot give a definitive list of the items that will be discussed. However, I expect that all the principal questions affecting Canadian-American relations in the economic and financial fields will be discussed. I have seen a tentative list of an agenda that we would put before our American friends but, as I say, I cannot reveal that since it has not been agreed.

The ministers who ordinarily attend are the Secretary of State for External Affairs, the Minister of Finance, the Minister of Industry, Trade and Commerce, the Minister of Energy, Mines and Resources, and the Minister of Agriculture or the Minister of Fisheries and Forestry depending upon the matters to be considered. In addition, the Governor of the Bank of Canada and the Canadian Ambassador to Washington are usually included on the Canadian side. In addition to that, on this occasion if there are other ministers who have responsibilities that are touched upon in these discussions they will be invited to attend at that time.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that the Deputy Minister of External Affairs, the Deputy Minister of Energy, Mines and Resources and the Chairman of the National Energy Board have been in Washington this week holding discussions with the U.S. authorities, is the whole question of energy resources going to be discussed at this conference in Ottawa next week?

Mr. Sharp: Mr. Speaker, I am sure the hon. member would be very surprised if it were not to be. It will be one of the matters to be discussed between the ministers and the secretaries of the United States. I think it is very useful that we should have an exchange of views. As the hon. member knows, no decisions are made at such meetings. They are purely a matter of exploring one another's points of view to prepare the ground for any agreements that may subsequently be made.

Inquiries of the Ministry

LABOUR RELATIONS

INQUIRY AS TO LEGISLATION DEALING WITH DISPUTES

Mr. A. B. Douglas (Assiniboia): I have a question for the Minister of Labour, Mr. Speaker. Does the minister intend to present legislation in this session which will provide better methods for dealing with labour-management disputes in Canada and, if so, when will it be introduced?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, as indicated in the Speech from the Throne, amendments to the existing legislation will be brought forward in this session of Parliament. In the interval, I can only suggest to management and labour that they show the usual degree of responsibility in arriving at collective agreements.

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GRAIN

WHEAT—DELIVERY TO RUSSIA OF REMAINING QUANTITY UNDER SALE CONTRACT

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the minister responsible for the Canadian Wheat Board. Can the minister indicate if the government has a firm commitment that Russia will take the balance of the 135 million bushels of wheat still outstanding on the previously negotiated three-year sales contract? If so, can he say when the board expects to deliver this grain?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, no specific bookings have been entered into for this grain. The Canadian Wheat Board and Exportkhleb referred to this particular amount of grain in the course of their last discussions and it was agreed that it would be taken as soon as it is conveniently possible and desirable for the U.S.S.R. to do so.

Mr. Speaker: Order, please. We have only two or three minutes left before the end of the question period, so perhaps we might allow two or three more questions.

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NATIONAL CAPITAL

SYMBOL PAINTED ON WAR MEMORIAL

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I have a brief question for the Minister of Regional Economic Expansion, he being the minister responsible for the NCC area. I would ask if the symbol that has been painted on the National War Memorial was put there with government approval and, if not, what action is the government taking to prevent the defacing of national monuments?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I have to inform the hon. gentleman that I am no longer responsible for the National Capital Commission.

An hon. Member: Hurrah!

Mr. MacLean: Then, could I address the question to the proper minister?

Mr. Stanfield: Wherever he is.

[Mr. Sharp.]

[*Translation*]

NATIONAL SECURITY

WAR MEASURES ACT—PAYMENT BY QUEBEC FOR SERVICES OF ARMED FORCES

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to put a question to the Minister of National Defence.

Two weeks ago I asked the right hon. Prime Minister who would have to pay for the armed forces services in Quebec. The answer was that the expenses had to be borne by that Province. Two days later, it was said in reply to a question of the Ralliement Créditiste leader (Mr. Caouette) that negotiations were going on on that matter between Quebec and the federal government. I ask the Minister of National Defence if a decision has been reached in that regard and if the armed forces services in the province of Quebec will be paid by Ottawa or Quebec, or on a joint basis.

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, the matter is still being discussed.

Mr. La Salle: Mr. Speaker, a supplementary question—

[*Later:*]

Mr. Speaker: The hon. member for Joliette on a supplementary, I believe.

Mr. Roch La Salle (Joliette): Yes, Mr. Speaker.

As Quebec could be responsible for the total cost, which might prove embarrassing for the Quebec government, can the minister tell us the daily cost for the services of the army in Quebec?

Mr. Macdonald (Rosedale): Mr. Speaker, I do not have the exact figure with me at this time.

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[*English*]

CANADIAN WHEAT BOARD

INQUIRY AS TO APPOINTMENT OF NEW CHIEF COMMISSIONER

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a question to the minister in charge of the Canadian Wheat Board. Has the government reached a decision on the appointment of a new chief commissioner for the Canadian Wheat Board and, if so, when will this be announced? Also, can the minister assure the House that whoever is appointed will not be from the private grain trade?

Hon. Otto E. Lang (Minister of Manpower and Immigration): No decision has been reached on this matter, Mr. Speaker. Hon. members are aware of the fact that the Wheat Board has appointed a very important committee to examine its operations. It has been my thought that before reaching any firm conclusion, the Wheat Board should be in possession of this report and in a position to comment on it to us. The report is expected before too long.

PUBLIC WORKS

EDMONTON—REQUEST FOR GRANT TO BUILD OMNIPLEX

Mr. Steven E. Paproski (Edmonton Centre): I should like to address a question to the Minister of Public Works. In view of the referendum on November 25 in the city of Edmonton, and in view of the thawing of the austerity deep freeze, will the minister consider making a substantial federal grant to the Edmonton omniplex, the first all-weather stadium in Canada, in order that it can be available for the 1972 Arctic Bowl or Grey Cup?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, I promise the hon. member that I will look into the measure of responsibility, if any, which we have. I also assure him that I will first find out what an omniplex is.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—NON-CONFIDENCE MOTION—ALLEGED LACK OF POLICIES AND PROGRAMS TO PREVENT UNEMPLOYMENT, POVERTY AND SOCIAL INJUSTICE

Hon. Robert L. Stanfield (Leader of the Opposition) moved:

That this House condemns the government for increasing the economic inequalities between different regions of Canada by its opposition to full employment policy and its refusal to use short term and long term programs in a timely and effective manner to prevent the resulting recession-level poverty and social injustice now widespread in Canada.

Mr. G. W. Baldwin (Peace River): On a point of order, Mr. Speaker, I wonder if the House would agree to the same form of time limit that we have had and which has proved successful in previous debates, namely half an hour for the Leader of the Opposition introducing the motion, half an hour for the spokesman for the government, 20 minutes for other party leaders and 15 minutes thereafter. This has been very acceptable and has certainly improved the quality of the speeches.

Mr. Knowles (Winnipeg North Centre): Agreed, Mr. Speaker.

[*Translation*]

Mr. Matte: We agree, Mr. Speaker.

Some hon. Members: Agreed.

Mr. Speaker: There seems to be agreement on the suggestion made by the hon. member for Peace River and it will be so ordered.

Mr. Stanfield: Mr. Speaker, during the question period there were several questions which I think arose from a reported statement by Dr. Frank Kelly, a science adviser to the Science Council of Canada to the effect that it is anticipated that about half the Ph.Ds' who will be graduating within the next few months will not be able to

find work. No doubt this is partly due to inappropriate training in some cases, but surely it also indicates in a very dramatic way the extent of the slowdown in economic development in this country. It also indicates in a very dramatic way the effect this is having even upon highly educated young Canadians.

There can be no question now but that the government has bungled very badly in its economic policies during the past year. Some of us have the impression that the ministers have been so busy admiring themselves they have not really noticed what has been going on in the country. The complacency which has been manifested, particularly in the Speech from the Throne, is in such striking contrast to actual conditions in the country that it is very difficult, when reading the Speech from the Throne now, to believe that it referred to the country in which we have been living these past few months.

The difficulty does not merely arise from the outbreak of terrorism, kidnapping and murder in the province of Quebec; it also arises out of the mounting unemployment that exists in this country. It is true that during this past year or so the government has been busy fighting inflation. This is fine. This is important and it is good, provided it is done with good judgment. But I have the impression sometimes that the Prime Minister (Mr. Trudeau) felt he was going to take this country by the neck if necessary and shake inflation right out of it, even if he choked the country in the process.

Because we have been waiting for some relief for the veterans and we have been waiting for some further assistance to older people, we have refused to believe that this country is in such a desperate position that the veterans and older people must pay such a heavy price for the fight against inflation. We wonder what happened to the war against poverty which was declared a couple of years ago. We have wondered why the government has not made some response to the call from the Economic Council of Canada for the Government of Canada to meet headlong the challenge of poverty in this country. What the government chose to do instead was to slow down our economy, the result being the heavy increase in unemployment and an anticipated very heavy increase this winter.

All this, the projected increase in our employment this winter and the projected deplorable conditions that will exist then, has not been taken seriously by this government. One could consider the budget of last spring and the warnings given by all sides of what would happen. May I remind the House that early in August I asked the government to reconvene Parliament promptly for two reasons. One of those was to enable the government to present to Parliament, so that Parliament could discuss them, plans for actively combatting anticipated heavy unemployment this winter. That was last August, but no program has been presented yet.

• (3:30 p.m.)

Some hon. Members: Hear, hear.

Mr. Stanfield: All this has been brushed aside. The Prime Minister and others have chosen from time to time

to ridicule programs such as winter works. They content themselves with reciting day after day and week after week the few measures that have been taken by the government during recent months, measures which have always proved to be totally inadequate. We had a debate last week, I think it was, on this and related subjects; yet all we obtained from the Minister of Finance (Mr. Benson) was another recital of the things that the government had done. Apparently, there was no recognition at all of the inadequacy of the measures that the government had taken. Now, we have had the Minister of Finance, who has been out west this past week, expressing warnings. The warnings were about the dangers of protection in the United States. We were warned about the danger to Canada arising from certain philosophies held in the United States. I wonder, sir, whether he would not be better off paying a little more attention to the benighted policies of his own government.

I have heard rumours and reports to the effect that officials serving this government are hard at work trying to develop programs at this stage, at this time of year, to fight unemployment this winter. It is reported that this plan will be unveiled soon. I hope so. It is late in the day and the outlook at present is that as a result of the folly of this government the people of this country are going to pay a very heavy price indeed. I hope, sir, that at least one thing will come out of this; I hope that this government will be shaken out of the nineteenth century.

All across Canada unemployment is mounting. We have the unemployment statistics published by the Dominion Bureau of Statistics; we have the information that unemployment insurance benefit payments have increased. We had information disclosed in the supplementary estimates considered recently that payments to the provinces for welfare have had to be increased. As a consequence, the supplementary estimates of this government in this area increased by $51 million. This, in part, is the result of increased unemployment. Of course, an incidental effect of it will be that very heavy burdens will be laid upon the municipalities and provincial governments involved. It is bad across the whole country, sir, and it is particularly bad in slow growth areas. The Minister of Regional Economic Expansion (Mr. Marchand, Langelier) is not present. But I say to the minister, through you, sir, that the economic slowdown in this country and the pronounced effect that will have on our slow growth areas is such as to virtually make a mockery of the efforts of the Minister of Regional Economic Expansion in his attempt to encourage development in those areas.

The hon. member for St. John's East (Mr. McGrath) pointed out in the question period how little had been done for his province, at any rate, by that department. Yet even where the effort of the Minister of Regional Economic Expansion has been substantial, even where the effort of his department has been substantial, that effort could accomplish nothing in view of the slowdown and the demoralizing effect resulting from general economic policies prevalent in this country as well as the discouragement that results from the slowdown in the national rate of growth.

All this, sir, is particularly hard on such areas as Quebec and the Atlantic provinces, but the effect is not confined to them. Actually, differing rates of unemployment in various areas are themselves one of the best indicators of how serious this problem has become. British Columbia, the Atlantic provinces and Quebec are all going to suffer a great deal this winter. Of that there can be no doubt. The amount of aid available through the Department of Regional Economic Expansion is not going to help very much, and the extra money that the government has promised is pretty ridiculous when contrasted with the need. This is another example of this government's lack of concern, and of its lack of effective policies, in doing anything of importance to smooth out these dangerous discrepancies.

Some hon. Members: Hear, hear.

Mr. Stanfield: I do not want to be altogether unfair about this. In its own way, the government has done something along this line. It is true that the areas of high unemployment are still there, and that the unemployment is getting higher. But there has been one development in that the areas of relatively low unemployment are becoming scarcer and scarcer, and they may even soon vanish altogether. The Prairies are expecting a rate double that of last year and Ontario appears to be heading for its greatest number of jobless in a good many years. That, sir, is equalization according to the style of the present government. If you cannot cure poverty, spread it around. I wonder what it is going to do for an encore.

What does unemployment mean in concrete terms, sir? Even to the person and community still relatively untouched by unemployment, it has a real, though subtle, significance. It means lost opportunities for the businessmen; it means a lower standard of living for the family and for the community; it means at the very least a certain sense of insecurity. Actually, it means everything that comes from living in an economy that is working at far under its own potential, in an economy that is therefore insecure. This is the effect of mass unemployment, even on those who do not seem immediately to be affected, or directly affected. It is different for those who perhaps are not yet personally affected and who live in a city or town where unemployment is rife. The feeling of insecurity is much more pronounced; social morale is down; business and commerce of all sorts are much more directly hit. The community itself is poor; it cannot afford to spend money even for social essentials. It tends to become run-down.

It should not be necessary to talk about the people, the wage earners and the families who are directly involved. But with this government, it seems to be necessary time after time to remind it what this means in terms of loss of human dignity, of vanishing hopes and of a bitterness towards society. This loss of human potential and of human resources may well be more than temporary, because a man can be out of work for so long that he loses a great deal of his drive, and even his sense of personal dignity. A prolonged period of joblessness for a

proud man can be a terrible thing. It can destroy his willingness and even his ability to work. That is one of the dangers of the prolonged and massive type of unemployment that this country has been experiencing. And it will go on experiencing this more intensively according to the forecasts. No government should need to be reminded of this, but it seems that this government must be reminded.

I will not take time this afternoon to speak about social unrest. Certainly, I am not going to suggest that political terrorism and support for political terrorism are a direct result of mass unemployment. That would be far too simple an explanation and it would not be right in any event. Yet, surely it is obvious even to this government that unemployment of this type creates a social climate where whole groups of men are embittered to the point where they begin to think about violent attempts at solutions, even if they are not yet accepted.

• (3:40 p.m.)

Along with human poverty, loss of individual dignity and social unrest, there are of course the economic effects of unemployment. I should not have to remind a government that has put so much stress on economic statistics that mass unemployment means a lowered input into that system, combined with a higher level of unproductive demand on that same system. As the Economic Council of Canada points out in its latest report, when an economy is working below its potential, there is no way of it ever recovering the losses that it sustains during such a period. That is an absolutely irrecoverable loss.

And yet this government does not seem to be unduly concerned. The Minister of Finance is quoted as having said yesterday that everything is looking up—that prosperity is just around the corner, so to speak. Well, I hope it is pretty sharp corner because, if it is not, the promise does not mean very much. In fact, on the face of it, it looks simply like a new expression of the complacency we have come to expect from this government. It tells more about the government than it does about the economy of this country.

It seems a long time ago, in terms of the events that have taken place, but it was just a little more than a month ago that the government produced what still has to be considered as the utmost example of complacency, the Speech from the Throne. We were described as a country somehow calmer and better than the others, despite our tiny little problems that the government was going to solve for us. We were even on the verge of greatness. I would say rather than the government was on the verge of lateness. The government's tardiness in all fields, from security to economic management, has been amply demonstrated ever since. I say that with no joy. All hon. members in this House are Canadians and have no desire to see this country in trouble. But neither can we deny the existence of the signs that we are in some trouble. That is why I am sorry I have to remind the government about the effects of its policies. We must keep insisting until we get action. It should not be necessary, as I said before but, unfortunately, in view of the apparent lack of concern that this government has demonstrated, we in the opposition must do so.

This government, and let us make no mistake about it, has responsibilities that it cannot simply slough off. It is very easy to blame business, it is very easy to blame labour unions, farmers, or any other groups you might care to mention, for the economic problems we are facing. The government has not been shy about blaming other people. And when it runs short of people it will even blame humanity in general. It is greed that is to blame, as the Prime Minister said last September when he was discussing unemployment in a speech in Quebec.

If the Prime Minister wants to blame human frailties, I suggest he choose a few others. How about incompetence on the part of the government? How about a lack of concern on the part of that same government as to what is happening to the workers and to the economy of this country? What about complacency? There is the real ally of the devil. And it is a quality that this government has in abundance.

Some hon. Members: Hear, hear.

Mr. Stanfield: One of these days we will have to discuss trade policy because that is another area of complacency. We are talking about matters of more immediate concern. I hope that this government does not repeat the steps it has taken because the steps that have been taken have been inadequate. I hope no one will do what the Prime Minister did some time ago with regard to housing, rise and say that there is no crisis. The housing situation is serious, as is the unemployment situation. It is late in the day to attack the problems of this winter, but we must try.

I have made these suggestions before. First, the government should have an immediate conference with the provinces, move forward on projects and discuss other methods of stimulating employment this winter. All the municipalities and provinces have projects on which they can move forward, if they can solve some of their budgetary problems. This conference should examine the position of some of the municipalities and provinces with regard to their capacity to meet the responsibilities they will have to discharge this winter in terms of welfare.

Second, the government should review the position announced by the Minister of Labour (Mr. Mackasey) about a week ago that no interim changes were planned with regard to the amount and duration of the unemployment insurance benefits or the qualifications required to earn these benefits. This would be useful and should be studied.

Third, the Minister of Finance should present an immediate budget which, among other things, should indicate a clear direction to the economy, not a continuation of the ambiguous statements being made by the minister such as "We will encourage the economy to expand as rapidly and as soon as we think it is efficient for it to expand". What does that mean? In what way does that indicate to the business community or the country the concrete way in which the government

would like the economy to expand? To what extent does this indicate in a tangible way the economic goals of the government for the immediate future? To what extent does it give guidance to the business community or the community as a whole as to the basis of its plans.

The government should concentrate on tax reductions. It should remove the sales tax on building materials used in the construction of housing. This would provide an immediate stimulus throughout the country in terms of employment as well as providing additional homes for Canadians. A reduction in income tax should be more than an elimination of the surcharge that was added to fight inflation. This would not be inflationary. It would be interesting to see whether such a move would reduce the inflationary pressures resulting from rising wages. It would not necessarily affect government revenues because the expanding economy would produce additional revenues. Perhaps just as important as far as the private sector is concerned, the government should remove as quickly as possible the uncertainty with regard to the unpegged dollar and our exchange rates, as well as the main outlines and positions on tax reform which are causing the uncertainty. The government should immediately indicate its position with regard to the modifications in the white paper proposals as suggested by the House of Commons and Senate Committees.

There are other suggestions that can be considered. I say to the government, through Your Honour, let us get going. During the past two years inequalities have increased in this country. That is unfortunate, but it is true. Inequalities have increased as between regions and among individuals with regard to opportunity. There has been increased poverty among the aged and the unemployed. I say people are paying a heavy price for the complacency of this government and I sincerely request that the government give us today not merely a recital of what has been inadequately done in recent months, but what it proposes to do. Unless the government comes forward today or tomorrow with some concrete proposals reassuring us of its energy, its concern and its effectiveness, I certainly call upon this House to support this motion.

• (3:50 p.m.)

Some hon. Members: Hear, hear.

Hon. Otto E. Lang (Minister of Manpower and Immigration): I was pleased to note that during some part of his speech today the Leader of the Opposition (Mr. Stanfield) addressed himself to the words of the motion. I must say I thought he was probably in a mood to repeat once again a speech which he has made before in the hope that its impact would grow with retelling. Unfortunately, it does not seem to be having that effect, although I must say that when he refers to the difficult situation of individuals who are unemployed, of individuals who find themselves in difficult circumstances, his speech is improving, probably because he has been using the eloquent words spoken by the Prime Minister (Mr. Trudeau) and by the Minister of Finance (Mr. Benson) on this aspect of the subject.

[Mr. Stanfield.]

The Leader of the Opposition seems to find difficulty in appreciating what is involved in solving the inflation problem while at the same time producing an atmosphere in which the economy, and employment opportunities, can expand. It is true the Leader of the Opposition did note that there was inflation to be fought, and that this was an important task, but he did not seem to realize the natural economic impact of attempts to get the economy under control. It appears to me that members opposite fail to appreciate the tremendous importance to this country of the private sector and of decisions made in that sector of the economy; the government's monetary and fiscal measures can, it is true, have an important effect—but only an effect—on those decisions.

The economy of this country is basically sound and is capable of moving forward along a path which now seems to lie clearly ahead. It was vital, though, that inflation be brought under control—vital for the sake of those on relatively fixed incomes, vital for the sake of every region of this country. We have begun to succeed in this task. When we began, we made it clear that in our view the controlling of inflation, so fundamental to long term growth, could have a serious impact upon immediate employment levels unless marked restraint were exercised by all sectors of the economy in their claims as to the amount they would like to take out of the economy in return for their services. We urged restraint upon business, upon labour and upon all groups in this country to the end that more people might be employed in the production of goods at lower cost. This is simple economic truth which I should apologize for repeating were it not so clear that members opposite do not understand it.

Our dilemma at this time arises from the need to maintain a firm hand on inflation within the economy. The Leader of the Opposition talked about additional expenditures and tax reductions without showing any concern for their effect in terms of inflation. I should not say he showed no concern; his words were "It would be interesting to see the effect—." Well, it is not hard to foretell the effect of removing all constraints on economic policy. Surely, the road to an expanding economy, to growing employment, is to build and maintain confidence within the whole of the economy and particularly within the private sector, in its readiness and ability to grow and move forward. It is inflation itself which has been, in its way, a deadly throttler of growth in the private sector. It is confidence in the economy which will, in itself, bring about more investment. What are needed at this point are firm decisions on the part of the private sector in the economy to move forward.

The Leader of the Opposition asked for a signal. Surely, that signal has already been given in terms of announcements which demonstrate the determination of the government to deal with inflation and create a climate in which jobs can be provided through investment and growth. There remains a serious issue in relation to the amounts sought to be taken out of the economy by those who are strong and, at the same time, unwilling to moderate their claims. I know from what they are saying that members of the Tory party would not like to see restraints applied to the business community. And I know

we shall hear from our friends in the New Democratic Party how wrong it would be if the restraints of good sense were applied to certain other sectors of the economy. It is important they be applied to all.

Mr. Douglas (Nanaimo-Cowichan-The Islands): What is stopping you?

Mr. Lang: It is important both to maintain the economic policies designed to control inflation and to encourage the forward movement of the private sector which is now, as recent figures indicate, beginning to show. The government has taken significant steps in the direction of improving the atmosphere for growth and development. The Minister of Finance (Mr. Benson) has, during the last few weeks, given details on several occasions of monetary and fiscal measures which should create greater opportunity for the private sector to move forward.

Mr. McIntosh: Should, but don't.

Mr. Lang: The pessimists on the other side say "should, but don't." What we need basically is faith in the strength of the economy.

An hon. Member: We need Oral Roberts.

Mr. Lang: I might draw attention, among other things, to the improvement of the financial position of provincial governments through the advancement of payments to the provinces, which in turn have enabled them to help municipalities go forward with their own projects.

The motion referred to regional disparities. Surely, no words could be more displaced than words which suggest a lack of concern by this government about regional inequality in this country.

• (4:00 p.m.)

Mr. McIntosh: What about selling some more wheat?

Mr. Lang: The hon. member says, what about wheat? I suggest that is one other factor, and its impact is beginning to be felt, which will lead to a burgeoning growth of the economy in the west and from that will follow, as the hon. member must know, an impact which will be felt across the whole of this country, and before long at that.

Mr. McIntosh: Tell us about barley now.

Mr. Lang: The government has been increasing in dramatic fashion the amount of money made available to regions of this country that have fallen behind economically.

Mr. McIntosh: Through barley sales?

Mr. Lang: Through regional economic expansion. Expenditures have been made to develop these regions industrially and to place jobs there. Within the sector for which I have some special responsibility, manpower, this year the government will be spending $291.3 million on a manpower training program alone. I should like to outline to hon. members the way in which this program not only deals with the specific problem of helping to train and upgrade an individual, but also the great impact it has in regions that need the most help.

Mr. McIntosh: What are you going to do now?

Mr. Lang: Through this program the department directs its attention primarily to those areas in which are to be found the largest number of people in need of retraining and upgrading. This has a direct impact in offsetting those factors in our economy which might tend to leave these regions behind.

I made reference to the sum of $291.3 million. Hon. members opposite frequently refer to the old winter works program which, with all its difficulties and disadvantages, in its final year received only $27 million. Here is a program involving the sum of $291.3 million that is directed toward the training and upgrading of people all across the country, but particularly those who can best use retraining and upgrading in the course of seeking employment, thus strengthening the economy as a whole.

I think it is obvious to hon. members of this House that the government is seriously concerned about an unemployment problem that is visible to all. Speaking in a debate on a similar topic only a week ago, the Minister of Finance expressed his and the government's concern when he emphasized, as I have done, the need to go ahead in terms of a solid economy while at the same time doing everything that can be done to encourage that growth for which we are all looking.

To suggest that any lack of attention is being paid to regions of the country which have the highest unemployment is, of course, to fly completely in the face of the policies and actions of this government. This government has been concerned not only about those regions having special economic difficulties but also about those groups of people who have special problems. In addition, it has been concerned about the fact that as long as inflation is allowed to continue it will be these people who will suffer the most. It is our determination, as it is our responsibility, to see that the economy is put into such sound shape that inflation is under control; that an atmosphere is created for additional employment opportunities, particularly in the private sector of the economy; that the private sector is able to move forward and, together with the public sector, take steps to create the employment that is required.

We on this side of the House have faith and confidence in the economy. We do not think that the suggestions of the Leader of the Opposition with regard to a further conference and further discussions, which seemed to be the meat of his proposals, would be any substitute for the action that is being taken to encourage, to the extent that is responsible, growth in the economy, particularly in the private sector.

The Leader of the Opposition has commented on government expenditure, and I note only that he would be interested to see the effect of his suggestions. He does not feel any sense of responsibility in regard to those actions that he proposes. It is our responsibility to deal with both sides of this difficult question. We must inspire confidence

in the economy, must ensure that fundamentally it is sound, and that the private sector will see the economy move forward with rapidity in the days ahead.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the motion presented by the Leader of the Opposition (Mr. Stanfield) criticizes the government because its opposition to full employment has increased economic inequalities in this country. It also criticizes the government because its refusal to introduce short-term and long-term programs has resulted in recession-level poverty and social injustice in this country. It seems to me that the facts that are apparent in Canada today fully bear out these grounds for condemnation.

The government's decision to precipitate an economic recession in order to combat inflation has caused injury to the entire society of Canada. However, it has fallen with undue severity upon the depressed areas and segments of our society. When the government decided to curb inflation by precipitating an economic recession, it took no steps whatever to safeguard those areas of Canada which were already adversely affected by economic conditions.

The Minister of Manpower and Immigration (Mr. Lang) has stated that the government is valiantly trying to combat inflation but that it cannot put any programs to work without reviving that inflation. He went on to say that the members of the New Democratic Party were opposed to any limitation being placed on the incomes of those in certain sectors of the economy. The minister is either not paying any attention to what is going on in the House or he is playing fast and loose with the facts. The members of this party have repeatedly said, and moved motions to the effect, that we believe the government should long ago have imposed a prices and incomes policy.

• (4:10 p.m.)

The only two stipulations we made were that an incomes policy should cover all forms of income, not just wages and salaries but also prices, profits, interest rates and rents, and secondly that it should not freeze those who are on very low incomes but should allow them to be raised to a reasonable level. That is the position we have taken. When the Minister of Manpower and Immigration says they want to curb inflation and stop it, then I ask why on earth do they not get on with the job. No one is stopping them imposing a mandatory prices and incomes policy. If they asked the provinces they would receive the co-operation of most of them. They, of course, have been victims of inflation.

There is no doubt that the government's policy has not only affected employment all over Canada generally but has caused more unemployment in those areas which already had less employment, particularly the province of Quebec and the Atlantic provinces. Now the Prairie provinces, which generally do not have unemployment, have seen a very sharp rise in unemployment.

Not only are regions affected by the government's policy but also segments of society itself, those least able to protect their own interests such as farmers, fishermen, small businessmen and those in the service industries. These have suffered because when the government started its policy of fiscal and monetary restraint it did nothing to make sure the areas already adversely affected were not subjected to still further depression. This government has forsaken the basic goals set by the federal government and the governments of all the provinces at the end of the Second World War. When the war was over, we started out to build a new Canada and all governments agreed there were two goals toward which we should move. The first was full employment with a high level of income. The second was the right of every Canadian no matter where he or she may live to enjoy a high standard of health, education and welfare services. I point out, although it is unnecessary to do so, that the government certainly has failed in respect of this first objective. The government has not managed to obtain full employment. This is shown by the latest figures issued by the government.

The unemployment figure for October is shown as 419,000. That does not include those persons receiving training, farm labourers, or the women and a number of other people who drop out of the labour market through sheer frustration. The total would probably represent half a million people. But the figure of 419,000 is 105,000 higher than the total for the previous year. The most unfortunate part of the statistics is that 188,000 of the unemployed are young people 24 years of age and under. This afternoon the minister boasted about the large sums of money the government is paying for training. We in this party support these expenditures for training. For years we advocated the setting up of a manpower training department. Certainly, we will continue to support such a vote and give the minister all the co-operation we can. But that is only part of the program. If you train people you must have jobs when their training is completed. At the rate we are spending money on training without any programs to provide jobs, we will have the most highly trained unemployed force in the world and we will develop a race of perpetual students and perpetual trainees.

The fact is that we now have pockets of poverty all across Canada. The situation is worse in some provinces than in others. The Economic Council of Canada says that between 4 million and 5 million people live on or below the poverty line and that more than 3 million people live in a state of deprivation. In other words, 7 million or 8 million Canadians are unable to enjoy the full employment and high level of income we started out to establish 25 years ago. The tragedy, however, is that this poverty is concentrated mainly in certain areas of Canada and particularly in the poorer provinces. The government in the course of this debate probably will tell us that the Department of Regional Economic Expansion is solving this problem. Mr. Speaker, I want to point out that the effectiveness of the government's program to reduce regional disparity is not measured by the amount

of grants given to large corporations. It is measured by the results.

On November 16 this year, in an answer to a question asked by my colleague the hon. member for Regina East (Mr. Burton), we find that by the use of the Regional Development Incentives Act some $95.5 million has provided 17,284 jobs. That I believe is an average of some $5,500 of capital investment per job. But let us look at the unemployment picture issued by the Economic Council of Canada. In Table 3 of their report we find that in 1970 the increase in the number of persons employed is 77,000. That is the lowest increase since 1958 when we actually had a deficit. The tragic thing is that of those 77,000 persons employed, about two-thirds were in the province of Ontario. In the Atlantic provinces, the increase is only 1,000. In the Prairies there is an increase of 1,000. In the province of Quebec there is an increase of 3,000 and in the province of Ontario an increase of 49,000. Measured by those statistics, the government's program for removing regional disparity is a colossal failure.

This afternoon when speaking on behalf of the government the minister commented on the concern which has been expressed by both the Prime Minister (Mr. Trudeau) and the Minister of Finance. No one is complaining about the lack of expressions of concern. But what we are complaining about is the lack of action and the lack of concrete programs and specific policies that will help get the economy going, put the unemployed to work and remove the pockets of poverty that obtain all across this country. The Minister of Manpower and Immigration said it is up to the private sector to make the decisions about investment. Now, we have another scapegoat. Some time ago it was labour because it would not agree to freezing wages and salaries while interest rates and profits went sky high. Now, the scapegoat is to be the private sector which is not prepared to make the necessary investment decisions.

Let us look at the Department of Regional and Economic Expansion. We find that the large part of the expenditures which they have made, about two thirds of them, consist of grants which were paid to United States corporations. In the period to the end of 1969 they have paid to foreign corporations $46,176,000, and to Canadian firms only $20,877,000. Some of these companies received these grants from the government by closing a plant, for instance, in Oshawa and opening another one in Hawkesbury as did Duplate of Canada, which is hardly likely to help reduce regional disparity.

• (4:20 p.m.)

If we are going to deal with the problem of regional disparity, it seems to me we have to do something more than make grants to manufacturing firms. We have to deal with community involvement. We have to deal with industries that are indigenous to the community. We have to be prepared not to wait, as the minister says the government is doing, for the private sector to make investment decisions. We should be prepared to work through Crown corporations federally and provincially. We should be prepared to help support co-operatives, farmers and fishermen's co-operatives, for the processing of their own products. We should be prepared to support community feeder lots, sawmill operations, tourism, food processing, and not rely entirely on persuading large corporations to come into a community where, in many cases, their sole purpose is to pay low wages and have very little relationship with the community itself.

I think the Department of Regional Economic Expansion has failed to state clearly what its objectives are and what its criteria are. I have in my hand the third report and review of the Canadian Council on Rural Development which was submitted to the Minister of Regional Economic Expansion (Mr. Marchand) in July of this year. I do not have the time to quote from it extensively, but I am sure that every member who has read it will realize that it is a very trenchant criticism of the way that department is being operated. Page 63 of the report reads:

> In the first place, a development programme of any kind needs to identify with reasonable precision its goals and objectives. Secondly, programmes must be instituted consistent with these goals and objectives. These programs must be continuously evaluated both in terms of their effectiveness and in terms of priorities.

The next page reads:

> There is no evidence that the Department of Regional Economic Expansion has, thus far, established this kind of objective basis for its programmes. There is a possibility that the department may come to measure its own success in terms of how many grants it has provided to industries, how many factories have located in designated areas, how many jobs have been created, and so forth. This can lead to maintaining programmes that should not be continued, or only in revised form, but also to termination of reduction of programmes without adequate rationale. The undoubted uncertainty and confusion about the value and effectiveness of the ARDA programme over its years of existence can be traced in very significant degree to this lack of precise definition of targets and objectives in the context of a plan.

It seems quite apparent that if the Department of Regional Economic Expansion is to be effective, it must be increasingly concerned about the infrastructure of the communities in order that the whole milieu of the depressed area can be assisted by the department and by an infusion of public funds. The Minister of Manpower and Immigration said today that the government is waiting for the private sector to make investment decisions. But when it makes those investment decisions, there is no guarantee that those decisions will benefit the depressed areas of this country. I wonder if the government has given any thought to the program which the Swedish government introduced many years ago, called the capital investment reserves program. It seems to me that this is something at which the government ought to look. Under that program in Sweden any company can take up to 45 per cent of its undistributed profits and deposit them with the bank of Sweden, draw interest on that money, withdraw the money any time it likes, but must pay income corporation tax on it. But if a company is prepared to draw that money at a time when the economy is slack and to invest it in areas where the government requires development, then it can withdraw

those capital investment reserves without paying the tax on the money which it has deposited. During the time that I, along with a group of economists, spent a month studying this and other policies in Sweden, I was tremendously impressed with the fact that they have been able to move industries into more depressed areas and to control the location of industries. The result has been that they have been able to maintain a very high degree of employment and of economic activity.

I want to go on to another question but since I see that my time is almost up may I read the amendment that I propose to move? If the House will let me spend just a few minutes on it, I would like to do so.

I move:

That the motion be amended by changing the period at the end thereof to a comma, and by adding immediately thereafter the following words:

"and this House condemns the government for aggravating these conditions by its policy of opting out of its responsibility to be involved in the maintenance of national standards in health, welfare and education.

I began by saying that 25 years ago the governments federally and provincially had set two goals: full employment and a high level of income and national standards of health, welfare and education. I am contending in this amendment that the goverment has aggravated the situation by continuously opting out of many of the programs which were designed to maintain national standards.

Mr. Caccia: Come on.

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I remind the hon. member who said "come on" that the government opted out of the winter works program, of construction grants for hospitals and of capital grants for technical educational training. It stopped giving the $500 for the construction of new homes which helped to get homes built in many of the depressed areas, and post secondary education grants have been discontinued.

Mr. Lang: We are spending more than ever.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Yes, but it is costing more than ever. This is exactly what the government is doing to the poor provinces of Canada. They are saying "we are discontinuing these shared programs. But we are making tax transfers by giving to the provinces some additional points of the income and corporation tax".

Mr. Lang: That is equalization.

• (4:30 p.m.)

Mr. Douglas (Nanaimo-Cowichan-The Islands): The fact is that the poorer provinces do not get the same benefit from an additional number of points on income and corporation tax, and they are the very provinces that need more than other provinces because they are so far behind. The government has now accepted that it is proper to have a variety of standards across this country with respect to health, welfare and educational services.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

The government keeps talking about unity. There is nothing that will destroy national unity so quickly as for Canadians in one part of the country to know that their children will have fewer and less adequate educational, health and welfare standards than children have in some other part of Canada. If Canadians are to feel they are part of this country they must know that, no matter in what part of Canada they reside, they are going to be entitled to certain national standards, particularly with respect to health, welfare and education.

Every move made by the government has been to make it more difficult for the poorer provinces and easier for the wealthy provinces. The Minister of Finance told the House about the extra money he was giving to the provinces, yet I noticed in the speech made in the Manitoba Legislature last June by the Provincial Treasurer of that province, he said that:

—Manitoba will not receive any more money now on the basis of this adjustment. In fact we may receive less from the equalization factor than we had estimated on the basis of earlier federal data.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but he has had his full time under the special order made earlier this day by the House, and indeed a few minutes extra because the Chair felt this would have been agreed to by other hon. members in view of the amendment that the hon. member was moving. If it is now agreeable, before I see the next speaker, I should put the amendment moved by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), as follows:

That the motion be amended by changing the period at the end thereof to a comma, and by adding immediately thereafter the following words:

"and this House condemns the Government for aggravating these conditions by its policy of opting out of its responsibility to be involved in the maintenance of national standards in health, welfare and education."

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I am very glad that this motion makes it possible for us to clearly assess the situation, to analyze the government action and to bring in constructive suggestions. It is not because special circumstances seem to give the government a comforting cover that we should forget the situation which exists now in our country.

The gross disparities alluded to in the motion under consideration are so obvious that we wonder whether we live in such a large and rich country where life is so enjoyable. In fact, the disparities between the privileged classes of society and the various categories of workers, of pensioners, in short the disparities between French Canadians and English Canadians, are inconceivable.

Mr. Speaker, a quick analysis of this situation, shows us that there is no concentration of effort to reach an agreement between the propertied classes and the workers to make everyone feel really good and ready to contribute to the best of this ability, to the progress and the development of our people.

How can such flagrant income disparities be explained? Some citizens receive an annual income of $6,000, $7,000, $8,000, $10,000 or even $20,000 while others live on salaries of $1,200 and $1,500. How can such a situation exist? The figures are here to prove that it does and they are bewildering. Union activities have succeeded in obtaining reasonable wages in most trades. However, there is still a great number of workers who would rather forfeit their starvation wages and go to the nearest social welfare office to pick up the slim allowance cheque. When one has lost taste for work and effort, we can only fear the unforseeable and disastrous consequences of such decadence.

It is therefore in order to wonder, with regard to the present situation, what the government has done to check such decadence. We can clearly see that the government has not done anything and that the situation still prevails.

The inequality between the large and the small family is, in my view, the most flagrant injustice. We have reached the point where we accept the fact that "large family" means poverty and "small family" means affluence and wealth. And yet, the worthiest, the noblest and the most important contribution of Canadians to their nation is the one they make through their blood: their children.

When considering the millions of dollars we pour into immigration, one wonders where the logic is. Family allowances are still at a ridiculously low level although several opposition members, particularly from the Ralliement créditiste, have repeatedly asked that something be done about it.

Such disparity, such inequity which affects the very core of a nation, namely the family, seems to me most revolting.

Publicity is used to lure immigrants to this country. I have nothing against immigrants, but I wish we would start exercising sound and well-ordained charity to provide our citizens who do not have to adjust to our country, because they were born here with at least the possibility of bringing up their children properly and turning them into assets for the common good.

Inequality is found also in welfare measures, including unemployment insurance. A white paper on unemployment insurance was tabled and we hope that the problem can be solved once for all.

Somewhat foolish rules result in officials telling the unemployed: Unfortunately, you have no more stamps; it is over, go back home, you can receive no more payments. And yet that person must continue to live and to provide for his dependents, if any. What has been done in this connection? A white paper has been issued. We shall wait for the concrete results of this policy.

As for inequality between Canadians, depending on their ethnic origin, it is useless to insist on this subject. An inquiry on bilingualism and biculturalism has given fantastic statistics on this subject which could explain several embarrassing situations which now plague Canada.

It is inadmissible that salaries should vary depending on the ethnic origin of the employee and yet this situation which exists in Quebec, in the Montreal area, is defended by a number of Liberal members who seem unaware of what is going on before their eyes and who are always ready to criticize those really willing to contribute to the economic growth, to the welfare and to the emancipation of all Canadians whatever their ethnic origin.

In connection with this situation, the Prime Minister (Mr. Trudeau) and the government are boasting about the extraordinary fight they have been waging against inflation.

• (4:40 p.m.)

We still do not know exactly what this fight consisted of, even though we heard about it many many times. This quixotic fight which they claimed to have won, brought no concrete changes in the life of the Canadian people. Why wage a fight which gives no results? And only the arrogance of the government and of the Prime Minister seem satisfied. For the people the same situation prevails, when it is not a defeat.

The action of the government boils down to pious wishes which, in theory, seem to be attainable ideals. The just society, we await it, we have awaited it, and we will continue to await it. We are ready to co-operate closely in order to achieve it, but until now, it has simply seemed to be very pious wishes and nebulous theories, and we do not know exactly where this is going to lead us.

The action of the government has also consisted in answering by a definite no to the provinces which were trying to solve, through tax reforms or others, the special problems of each region. And, as a matter of fact, the motion blames the government for not doing that.

The action of the government only went as far as to tell the provinces, "Go back home, and if you need more money, collect more taxes. We do what we have to do; you do the same". In theory, this looked like a solution to the problem, but we know that when it comes to putting into practice the principles of federalism, wich they would like to be well alive and quite co-operative, and which they adorn with all kinds of adjectives, they give flat noes as answers to the provinces.

There is also the systematic and intentional increase in unemployment. This is the worst scheme, the most disastrous action, and they are beginning to boast about it. They boast that they are solving the problem of inflation by intentionally increasing the number of unemployed. That beats all, Mr. Speaker, and nevertheless the Right Hon. Prime Minister (Mr. Trudeau) has every chance, every opportunity to take more popular measures which would solve the real problems.

Some action was taken by the Department of Regional Economic Expansion which, admittedly, was rather effective in certain cases. There is still, however, something mysterious in the designation of special zones, and one wonders why they bother to say that a community or

area is designated as a special zone, when problems are known to affect all regions and all areas. This may be only window-dressing at times, but it seems that a certain effort has been made in this connection.

We now come to our suggestions, because it is not enough to criticize and to establish facts; we must act. As usual, our suggestions are clear, precise, concrete, even though we are accused of bringing forward vague solutions. They keep saying that without ever taking the trouble to specify what is vague about those solutions.

Making available to citizens money and real credit, corresponding to the real guarantees the country possesses, there lies the open secret, something very simple, and we come back to the suggestions implicit in the principle that it is money that should serve the citizen and not the citizen who should serve money.

Mr. Speaker, let us take as a starting point what the Prime Minister himself advocated in 1954, and not the statements emanating from the leader of the NDP. As the leader of the Ralliement créditiste (Mr. Caouette) said this week, let us take as a starting point a statement made in 1954 by the Prime Minister, as follows: "Happily, there is a remedy that can be applied instantly, at the first sign of weakness in the national economy: it is to stimulate purchases by putting more money into the hands of the consumers."

It may seem unbelievable, but our present Prime Minister said that in 1954.

Mr. Speaker, may I be allowed to fully agree with that statement which had already been made by another one of his predecessors, Mackenzie King. All we want is that this be done. Let there be a declaration of war on inflation, but let the choice of weapons be the right one.

To go moose hunting, one does not use a slingshot or a peashooter. Therefore, in order to really fight inflation, the best weapon should be to increase the purchasing power to increase consumption and, consequently, give an invigorating shot-in-the-arm to all producing businesses. That is still what we suggest.

It is possible to ease the burden of provinces and municipalities by giving them access to the Bank of Canada.

Will they finally answer that question? Why do the premiers of Quebec and of other provinces have to go and ask permission of New York bankers to build a dam, a bridge or a school? On account of what principle do we cringe to that extent? Is it because we have no guarantee? Have we not enough resources in our country to guarantee the actual credit that we want and advocate? We should put an end to that stupid procedure under which we have to ask foreigners permission to do something here.

It is not because they have never been implemented that our suggestions are wrong! That is the kind of argument we always hear: Money does not grow on trees; if that solution were adequate, it would have been applied elsewhere. We must apply it for the first time. Before the caveman saw a wheel for the first time he had to imagine one and build it. It is not because other people did not think of that solution that one should not apply it.

When a policy to abolish inequalities will be considered, when a concrete policy will be suggested to provide everyone with the strict minimum, when we become convinced that our country has everything to provide everyone with this strict minimum, we will have found the solution.

To conclude, we urge the government to implement some if not all of the basic principles which we have been advocating for many years. I said it before in this House, we have no exclusive rights on the monetary reform we advocate. The government is quite free to draw inspiration from it. We will support it in its task. We must stop thinking about the advisability of doing one thing or another and listen to those who advocate it.

The pretense that our party represents only a few constituencies does not justify saying that what we are advocating is not good. We must stop living in the clouds and identifying the whole government with one man who pretends to be in the limelight and finds nothing better to do than to cover his head with feathers and play drums to draw the attention of the people of this country. It is time to end such childishness and to tackle the basic problems. We have to mix with people, know their opinions, their problems, their aspirations. We must listen to the people and muster everything in order to give to all Canadian citizens the possibility of looking forward to better days.

• (4:50 p.m.)

[*English*]

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, in this country we are faced today with a very formidable taks, that of providing 500,000 additional jobs by this winter and in the future to keep unemployment at an acceptable level of around 3 per cent of the work force. Today my leader, the Leader of the Opposition (Mr. Stanfield), very ably outlined the steps which the government must take to stimulate the economy and make it possible for additional industrial activity to provide additional jobs for our people. Mr. Speaker, I intend to deal, in the few minutes which are available to me this afternoon, with one particular aspect of the problem facing us, and that is the difficult task of providing the jobs which we need in the underdeveloped areas of this country where unemployment is considerably higher than in the other parts of the country.

I believe, Mr. Speaker, that the best way to increase employment in such areas is to work out a means by which we can attract more manufacturing industry, which is, of course, by far the greatest employer of labour, to those areas. That, of course, raises the question, can this be done? The answer is yes. The other question, "Well then, how can that be brought about", I intend to deal with now.

It has been obvious for many years that we have been shipping overseas a far too large proportion of the raw materials which we produce, for people in other countries

to process into finished products, which mean for them the great benefits of employment and profits which accrue from manufacturing. This loses for us, in Canada, those benefits which I believe can and should be ours.

We all know, Mr. Speaker, that we in this country possess all the ingredients which are necessary to make this country into one of the really great industrial nations of the world. We have the raw materials, the cheap power, the transportation, and the skilled manpower. We have a certain amount of capital of our own, and we have proved that we can attract additional capital from the outside world without too much difficulty. What we need is far more manufacturing industry in this country to transform a far greater proportion of the raw materials which we produce into finished products.

How can we bring this about? I believe, Mr. Speaker, that it can be done by means of an industrial development incentives plan which would offer such generous incentives to companies which have proved their ability to manufacture successfully, both in Canada and in other parts of the world, that they will decide it is to their financial advantage to establish plants in areas which the federal government would designate, areas which need industry to balance their economies and make them less dependant on their production of primary products.

Despite the introduction of the government's regional development program, persistent unemployment of around 10 per cent in the Atlantic provinces, in Quebec and in British Columbia shows very clearly that, with the exception of the larger cities in those areas, there has been far too little development of manufacturing industry which, as I said, is by far the greatest producer of employment. It is obvious that the incentive which the government has offered has not appeared to be sufficiently rewarding to attract the number of new industries which we need to keep employment at a satisfactory level in those areas, and that an additional incentive is required. I have no quarrel with the government's plan. It simply is not enough, and that has been proven by the unemployment figures prevalent in our country today. The plan I am going to suggest would act in addition to the government's plan, and would not interfere with it in any way.

In working out such an additional incentive, we must remember that unless what we offer is sufficiently attractive to persuade companies that it is well worth their while to establish plants in those areas where we need them, they will simply decide not to establish plants in such areas. The taxes and the employment which would have been available to those localities will simply not materialize.

• (5:00 p.m.)

I believe that the kind of incentive which industries need to persuade them to operate in areas not normally considered to be economically attractive must convince those industries that two things will happen. First, they will be able to make a satisfactory profit. Second, they will be able to obtain the additional capital they need at a cost which they can afford to pay. I will deal with each in turn.

The kind of incentive which I believe will convince industry that the first condition will be met, is freedom from paying taxes, federal, provincial and municipal, for the first ten years of operation, and a graduated scale of taxation for the next 15 years. After 25 years of operation, they will pay full taxes. As a large proportion of taxes are provincial and municipal, concurrence of the province and, through them the municipalities, will be necessary to make the policy work. However, these taxes are not now being paid, because the industries in question do not exist and will not exist unless they are persuaded that it is worth while for them to establish in these slow growth areas. I am sure that the prospective construction, employment and future taxes will persuade the provinces and municipalities that the plan makes possible such attractive prospects for the future they will agree to participate in it. Any province or municipality which does not wish to enter the plan would, of course, be free to stay out.

To enable municipal governments to finance the cost of services which would have to be installed to enable these new plants to operate, the federal government should make available loans at no more than 5 per cent interest and payable in 25 years. Although this would impose a cost of 5 per cent on the municipalities, I am convinced that the construction; additional sales by merchants in the district; the employment which would provide taxes to the municipalities instead of having to pay welfare; additional house-building, and a great many other benefits which would accrue to the locality, would more than compensate the locality concerned for the payment of the 5 per cent interest on the cost of producing the necessary services.

The second requirement, that of being able to obtain the capital that industry needs at a rate that it can afford to pay, would be met by investment in the enterprise by the Canada Development Corporation when it comes into existence, which I hope will be soon. I believe that participation by the CDC as a minority shareholder in any of these enterprises which need additional capital would be an excellent kind of investment for the Corporation to make. I stress minority position because it is essential that the government should not get into the business of running industries, and should rely on the management skills of already proven enterprises to successfully direct the new plants which would come into existence through the introduction of the development incentive.

I am convinced that the plan I have outlined will be sufficiently attractive to persuade many successful producers, both in Canada and in other parts of the world, that it will be worth while for them to establish additional plants in this country, close to sources of raw materials. I have discussed this plan with a great many industrialists that I know and with whom I have had dealings in the past, both as a minister of the government and in private business. They have told me that they believe a plan of this kind would be extremely attractive and practical, and that it would persuade many industries in Canada and outside the country to establish in areas which would be designated by the government.

Because taxes from which the new developing companies will be freed for the first 25 years are not being paid now, nor will they be paid unless the companies concerned find the government's offer sufficiently attractive to persuade them to establish additional operations in these slow growth areas, the plan will not impose any cost on the governments concerned, nor on the taxpayers of Canada.

I believe that the Minister of Industry, Trade and Commerce (Mr. Pepin) should now call a federal-provincial conference, which should include representatives of the provincial mayors and reeves associations, to discuss the details of a development incentive which will be sufficiently attractive to persuade the manufacturing industry to establish plants in areas which badly need industry to balance their basically primary product economics, and overcome seriously rising unemployment. When the policy has been agreed upon, it should be put into practice at the earliest possible moment.

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

Mr. Hees: I will be glad to.

Mr. Gilbert: I listened with interest to the remarks of the hon. member on his proposed plan to aid industry in certain areas. Will the hon. member give consideration to imposing restrictions with regard to foreign companies, because experience in Ontario has shown that moneys from the Ontario government have primarily gone to American firms rather than Canadian firms. If the intent of many American firms is just to serve the domestic market rather than to develop an export trade, it may have harmful effects. Has the hon. member given consideration to a plan whereby if moneys are given, priority should be given to Canadian companies and restrictions imposed on American companies?

Mr. Hees: I am glad the hon. member for Broadview (Mr. Gilbert) has asked that question. In the plan I have outlined I have made it very clear that this would not cost the federal government or any government concerned one penny. At the present time, the additional industries do not exist in these areas of slow growth. They will not exist unless a plan is offered to them that is so attractive they will decide to establish in these areas. I am hoping that when companies, particularly those outside of this country, start to operate, the only cost will be that of providing services for the operation concerned.

I have said that would be paid for by a loan from the government at 5 per cent interest, which the government can well afford. I believe the municipalities can well afford the 5 per cent interest because of the additional benefits which will accrue through additional construction and employment. People will be earning wages instead of living on welfare provided by the municipalities. Additional people will move to the municipalities, housebuilding will increase, and there will be other benefits.

This plan is good because it does not require any money to be given to companies which will establish in these areas. The companies are simply told if they will do something which is needed and is not being done now, namely manufacturing, we will not charge taxes anywhere near the level the company would normally pay, for a certain number of years. This is a tremendous incentive. Industrialists have told me that this is very attractive to them. It is not giving anything away. If we do not do this, the taxes will not be available because the industries will not establish themselves in these areas.

Mr. Peters: Could I ask the hon. member—

Mr. Speaker: Order, please. The hon. member may ask a question. I am sure the hon. member is anxious to reply to the question. I suggest to the hon. member that he might address his reply to the Chair.

Mr. Hees: My apologies, Mr. Speaker. I got carried away.

Mr. Speaker: Order, please. I do not want to complicate matters, but the hon. member's time has expired. If hon. members wish to continue with questions to the hon. member, it requires the unanimous consent of the House. Is this agreed?

Some hon. Members: Agreed.

• (5:10 p.m.)

Mr. Peters: I was very interested in the program which the hon. member has outlined, and the novel approach he has suggested. I was wondering whether he contemplated some special concession to industries which locate in depressed areas rather than in areas which support most of the major industry in this country.

Mr. Hees: Yes, I mentioned that, Mr. Speaker. I said this plan would be available only in areas which the federal government would designate as under-developed areas, and that it would be available only to companies which would locate in such areas.

Mr. Speaker: Before calling upon the hon. member for Provencher may I welcome to the table the new and very distinguished Third Clerk Assistant, Mr. Antonio Plouffe.

Some hon. Members: Hear, hear.

Mr. Mark Smerchanski (Provencher): Mr. Speaker, I feel the present government has been generous in its legislation providing incentives for industry. But we have to realize that no government can solve all the problems of the under-developed rural sections of Canada. This task must be undertaken in co-operation with the business community and with the assistance of labour.

There seems to be a feeling on the part of some of our labour unions that they are not permitted to undertake and develop new enterprises. I would urge not only the

business world but the labour unions to join the rest of Canada and the various governments at federal and provincial levels in helping to develop the rural parts of this country. This is not a task which should be left to any particular government or to any particular segment of society; the co-operation of all segments is needed. I believe that if some of the money which union organizations presently remit to the United States were retained in Canada and used here as a starter for equity capital to establish new industries, a great deal of employment could be created.

The Department of Regional Economic Expansion has been providing a large proportion of the dollars spent on setting up the services required before new industry can establish itself in under-developed areas. The department has spent a great deal of money on hydroelectric power installations, roads, water supplies, sewage installations and other services required by a normal, operating community. There is no basis whatever for opposition statements that nothing has been done in this connection. I question very much whether more industry would be attracted, even if more generous grants were made. If the government becomes more generous, the tendency is to say: this is government money and it need not be spent with any degree of efficiency. I could give some examples to the House by way of illustration. An outstanding example is the heavy water plant in Nova Scotia. Here is a plant which cost several hundred millions of dollars, for which funds were made available. The design and engineering were inadequate as the basis for a properly operating plant, and the Department of Regional Economic Expansion was eventually called upon to advance further financial help. A large additional amount was then spent on redesigning and reconstructing the project. The plant is now successful, but the cost per job turned out to be in the order of $8,000 or $9,000, far above the average amount required to provide employment in the rural parts of Canada.

Opposition speakers have suggested that new industries locating in under-developed areas should not be required to pay taxes of any kind for a period of ten years. But who will be called upon to pay the additional cost of the auxiliary services such as roads, water, sewers, power lines, schools and so on which go to make up a viable economic and social unit? These are the services normally provided by municipal governments, and they are extremely costly. To say that the money will be advanced by the federal government at 5 per cent means that somebody in our social structure will be called upon to pay higher taxes. I, for one, feel that taxes today are already far too high.

There is a tendency on the part of certain members of our society to speak too glibly and too freely of welfare. It is encumbent on every Canadian to encourage his fellow men to be independent, to find their own way and to resort to welfare only when it is really needed. I know that many hon. members have personal experience of instances when welfare funds have been abused; out of every dollar spent, less than 50 cents finds its way into the hands of those who really need help. In my view, Mr. Speaker, the initiative shown by the Department of Regional Economic Expansion has led to one of the finest and best types of incentive program we have ever seen in Canada. If the opposition feel they can improve on it, fine and dandy.

• (5:20 p.m.)

This afternoon I listened very attentively to the argument supporting the contention that we should be more generous with our incentives. I am not convinced. I am not convinced because I, too, am associated with others in my constituency who have shown some initiative in creating new industry. These are people who have had to pioneer new industry in the same way as our forefathers built this country. This is the type of person we need to develop the business world in Canada and to create new industry.

We have the people and we have the motivation. I think it is now a question of a little more education. At the present time our incentive program is conducive to establishing new industry. For example, where else could any member of this House today set up a new industry and be given a 50 per cent grant? Suppose I was prepared to invest $1 in a certain industry, having worked out my rate of return spread over 7, 10 or 12 years, the federal government through its Department of Regional Economic Expansion would be prepared to give me a grant of up to 50 per cent of my cost, with no strings attached except that I must stay in business for three years. If I have no intention of staying in business for more than three years, then I should not start any kind of business.

The financial incentives presently offered by the government are good ones. However, I think there is one thing we have lacked. I should like to ask every member of this House, to how many of his constituents has he explained the incentive program in a proper and precise way. I wonder how many members have even seen the application form issued by the department. A high percentage of applicants in my area have been successful in getting grants, thus creating a substantial number of new jobs. Every new job creates revenue in the form of deductions for personal income tax, sales tax, municipal tax and insurance costs. In addition to that there is added cash flow in the community. All of these factors build a broader base for the economy and contribute more tax dollars to the coffers of the provincial and federal governments.

During the last day or so there has come across the desks of all hon. members a booklet entitled "Financing Canadian Industries," prepared by the Department of Industry, Trade and Commerce. May I again congratulate the department for taking the time to analyse in crystal clear fashion just what is involved in the financing of Canadian industries. The booklet explains what is equity, what is risk capital, what is loan capital. It also outlines some of the provincial agencies, all of which are anxious and willing to support anybody who is prepared to start an industry but able to put up only 50 cents on the

dollar. Indeed, in the case of large industries, I dare say you need to put up only 10 to 15 cents on the dollar.

In the foreword to this booklet, which I think is absolutely terrific, is this passage:

> These are but a few of the questions to which the businessman may have to find answers. This booklet, in providing information and suggestions, may be of some assistance.

There is nothing in Canada to prevent any member of this House, or any member of the industrial or business community, from setting up new industry and thus providing employment for our people. Nevertheless, there seems to be a tendency on the part of some of our academics to criticize, to nip at the heels as a dog nips at the heels of a cow, and to find fault with a program that is one of the best. It has been said that for some Ph.D.'s there will be no assurance that they will be able to find employment. I would ask the Leader of the Opposition whether these academics are not trained to lead the people of Canada. Are they not trained to be leaders in the community? Can they not create new industry and provide new employment? Can they not create new sources of tax for the government? Why should anyone find a job for them? Why do they not create jobs for themselves as well as for others? Is that not the proper and responsible way of living?

I think my time has expired, Mr. Speaker, and I thank the House for its indulgence.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I am happy to take part in this debate during which will be discussed most particularly the possibility of checking poverty and of removing by the same token a social injustice now widespread in Canada. It was quite normal to discuss this matter in the present context, in view of the difficulties we are facing now.

It is clear that every responsible government has the duty to create a climate of confidence. Certainly, it is difficult to create such a climate when we know that about 30 per cent of the Canadian people now live in poverty. In the last few years, insecurity has become prevalent here in Canada as well as the deterioration of the social environment.

As far as young people are concerned, they refuse to identify themselves with society. How could they agree to it blindly? In fact they have lost confidence not only in Parliament but also in its individual members.

The difficulties we are facing now may be due to the rapid evolution we have undergone in the past few years. It seems that youth craves liberty very much. To my mind, it is not only by dictatorial legislation that we will succeed in establishing a new atmosphere of confidence. The mere passage of legislation will not endow our society with a better way of life than the one we are enjoying at the present time.

I believe that it is the responsibility of the government to adopt the measures likely to fulfil the aspirations of Quebecers and all other Canadians.

It might be advisable to convene, as soon as possible, a summit meeting made up of representatives of the federal and provincial governments and of labour and management associations. Such a meeting would enable responsible members to discuss our present problems. In my view, such a meeting is necessary because it would represent not only the interests of governments but also those of the Canadian community. In fact, it would be beneficial to everyone.

Has the government really tried to give, for instance, to the young people, that freedom they are craving for, and which is the product of an evolution experienced throughout the world and not only in Quebec or in other regions of Canada? Has the government done its utmost to enable them to find summer employment?

I know that we spend millions, and I would even say that this is wasted money in some cases, to allow a certain number of young people to find summer jobs. Some people have suggested the establishment of compulsory military service, thought I do not feel that through such a dictatorial law we could solve this problem or satisfy youth.

I have always considered that the majority of our young people are full of good faith and prepared to build a better Canada. I have thought that a disciplinary training service, with pay, would perhaps be required, or at least valuable. We could in this set up mix business with pleasure, as people often say, allow all young Canadians, over the summer period, to join voluntarily this training service which would give them a certain discipline and would train men for peaceful purposes instead of training soldiers to wage war.

But who would be responsible for that disciplinary service? Would it be the federal government or the provinces? I would be inclined to think that the federal government should make some funds available to the provinces anxious to make use of such a service, ensuring to those young people an income which would enable them to continue their studies while giving them the opportunity of attaining manliness, as we all wish.

Such a service should be voluntary, because we have to take into account businessmen and farmers who need their children during the summer to work at home. But a responsible government could, through such an initiative, enable each province to take advantage of such a service and would allow thousands of young people to earn an income sufficient to improve their education and also practice the elementary discipline to which we must all submit in this world.

Since this would be a voluntary service, it would allow young people to reach university level with an excellent record. Application of this program would not involve a much greater cost to the taxpayer, since the young people, having earned an adequate income during the summer, would not need to apply to provincial governments for scholarships.

This program would give us an opportunity really to assess our young people and to know exactly how many of them want, not merely training, but work, and the experience of earning a dollar and investing it in themselves and the community as a whole.

This formula could help to improve the difficult situation we are now witnessing. Unemployment and poverty co-exist and there is talk of checking poverty.

In the name of inflation, thousands of unemployed have unfortunately been created, unemployed who still cost the government, directly or indirectly, about $100 a week. I have always thought that a citizen who works regularly is of far greater advantage to the government.

I find it hard to understand exactly to what extent, in the name of inflation, our economy can be stabilized again while the expense is being allowed of up to $100 a week per unemployed who could otherwise still work and be worth something to Canada.

Yet, the winter works programs were allowed to go by the board without hesitation. I had thought that, under the circumstances, supplementary credits would be granted hurriedly to provinces and municipalities in order to allow them to carry out priority projects and this at special rates. It is unthinkable that we continue to tolerate borrowing at exaggerated rates. I venture to believe that the government is as aware of these possibilities as we are. Indeed, the purpose of this debate is not necessarily to criticize the government, but to allow each member to contribute in finding a solution—however small—liable to reestablish the stability of society.

All members are aware of the reduced credits allocated to various departments and Agriculture was not spared. It was sad to let some producers fall into unemployment by cutting subsidies for agricultural production, which did not leave them any other recourse than social welfare. Suggestions were made by opposition members. I had the pleasure of saying a few words on the question, Mr. Speaker, but we did not win.

I hope that knowing what conditions prevailed last spring, the government will do something. As lately as yesterday, I did not agree to a reduction of some subsidies. On the contrary, producers forced to abandon agriculture for serious motives should be given an alternative. I think the responsible government was under the obligation of creating jobs, giving retraining programs and offering advance pensions. Finally, this has often been mentioned before a subsidy reduction was considered.

We hope the government will change its mind and favour that position, particularly with regard to the working class.

As I am dealing with social injustice, in the next few minutes, I would like to talk about amendments to the constitution. The subject may not seem related to the matter now at issue, but it has a connection with the social climate we have to create.

Our constitution must be changed because it is outdated, no doubt about that. In fact, a number of Canadians, both in and outside Quebec, cannot accept the idea that federalism in its present form can provide well-being in Canada.

I want to say, Mr. Speaker, that young people in particular will no longer be satisfied, as they have been up to now, with unacceptable compromises. More than ever, I think that the members of this House will have to be very honest with our youth.

As a consequence of the government's hesitation in introducing certain changes, we are now facing the problems of poverty and social injustice. And these problems make the members of this House vulnerable in the eyes of both the young and the rest of the Canadian people.

We have the responsibility to create an atmosphere of confidence for all. It is surely a great challenge to take up, but it is needed. By being more administrators than politicians, we will succeed together in creating this climate of confidence. We will succeed if we apply ourselves to the protection of our industries by adopting certain measures which would give them some necessary incentives.

No doubt the measures applied by the Department of Regional Economic Expansion are necessary and beneficial, but I think that we have forgotten our industries too long. We have also forgotten to consider the new importance of short-term pump priming in the building trade. Once again, I urge the government to consider seriously removing the 12 per cent tax on building materials and the possibility of paying back some interests to those who have a low or an average income.

My time is running out fast, Mr. Speaker, and I would still have many things to say. I dare hope that these few comments will help the government to eradicate this poverty and social injustice which afflict not only the people of Quebec, but of all Canada.

• (5:40 p.m.)

[*English*]

Mr. Arnold Peters (Timiskaming): I am very pleased that a vote will be taken on the motion introduced by the opposition so that the wish of the House can be expressed on this important matter. We have been very concerned in the last few weeks, particularly those of us who are not as emotionally involved as are others in what has been happening, that some of the problems facing Canada arise not from differences but from the same problems that occur in a number of regional areas in Canada. The fact that for a number of years now regional programs have been in effect to assist in the improvement of parts of Canada on a regional basis, programs which have not achieved their goals, has tempted some hon. members I am sure to take a look at some of the solutions offered by the hon. member for Prince Edward-Hastings (Mr. Hees) in his very interesting speech this afternoon.

Some of the proposals of the hon. member for Prince Edward-Hastings have been tried out in many countries. Recently, I saw an advertisement for the Bahamas which announced a ten year tax free period for industry locating in that area. The fact is that in many of these countries this tax free period has benefited the development of industry with the result that the area has been faced with the same problems which we had recently in Jamaica. Canadian investment was encouraged in that

country, and then questions were asked as to whether or not the industry was used to the advantage of the depressed area or solely to the advantage of those who benefited from it in the first place.

Before that type of incentive is applied to the depressed areas in Canada, we should consider some of the major problems that are affecting us, one of them being our Canadian sovereignty in terms of industrial development. I come from an area where incentives have been applied for the last five or six years. Hon. members may remember having listened to me on a number of occasions referring to the fact that our area was not designated for special assistance. We looked with a jaundiced eye on some of the areas that were so designated, and after much twisting of arms, the area was designated for a short term under the old program. Now, it is designated under the new program.

Northeastern Ontario continues to lose its population. We are not like other parts of Canada which have been doubling their population. Twenty years from now we may be only a recreation area, and people will be going there to hunt and fish in the clear waters because there will be nobody there to dirty them. I think this is really the purpose of the people of that area. We have improved our education, which is a necessity for the development of industry. Someone may ask: "Why would you want computer technicians in northern Ontario?" I am sure I do not know because we do not have any computers, but we are turning out, through a very beautiful college in Kirkland Lake, computer operators who obviously have to go to Toronto to get a job. The same is true of dozens of courses that are being provided for our young people. We are providing the machinery and the facilities that are necessary. We have many advantages but there are many that we still lack.

The previous speaker mentioned our inability in Canada to solve the constitutional problem. Our federal government is so concerned with giving autonomy to the provinces that any program we design federally is watered down by whatever initiative the provincial government takes in this regard. I remember recently a project approved by the federal development agency which had to be withdrawn because the Ontario government had not put in their share. It would seem to me that if we are going to have a program, surely the two governments should get together to make it possible for some type of equal development of the project to take place. But that is not what happens.

Another problem with which we are faced is lack of co-operation with regard to education. The other day I had a visit from some young students from northern Ontario who attend a technical college there. Their complaint was that they could not obtain a student loan, although the federal government provides that kind of money. Why could they not receive this type of grant? Apparently the answer is that they reside in the province of Quebec. They indicated to me that is only one English school in Quebec where they could have obtained this kind of technical education, so they came to Ontario. Until this year, Ontario has provided them with a grant as if they were residents of Ontario. This year they are about to complete their courses, but now it is said that because these people live in Quebec that province must make the grant. Mr. Speaker, it is the federal government which provides the money. But Ontario says that because they are now going to a designated school in Ontario, even though there is not one in Quebec, they will not be provided with a grant. As a result, they may have to quit at Christmas. They live 50 or 60 miles from this school. The only other similar school is Dawson College in Montreal, about 400 miles away. It is already full and could not accommodate them.

• (5:50 p.m.)

One of the methods of solving regional disparity must be the provision of better education. The complaint has been made that new industry must be established in the centre of a large educational pool from which it can draw the technical people it needs. Yet in some areas where the educational facilities have been provided, people have received no other advantage than that of being able to send their children to school in that area. Then, they have had to export the finished product, so to speak, to the industrial markets.

Our record is not good. We have had some new industries established in Northern Ontario. I refer in particular to two announced recently by the Department of Regional Expansion in its "Report on the Operation of the Regional Development Incentives Act for the Period September 1 to September 30, 1970" published on October 14. The first is Ecstall Mining Limited, of Toronto, Ontario. Mr. Speaker, in effect, this is Texas Gulf, one of the largest mining companies on the continent. They have located their new plant at Hoyle, just outside Timmins. The type of industry is an electrolytic zinc plant. The bulletin describes the project as a new facility.

Why is it a new facility? It is because the province of Ontario finally made up its mind that if this company was not going to process the product before exporting it, then the government would not allow them to export it. The estimated capital cost is given as $45,700,000, and estimated employment as 360. What did we offer them? We offered them 11 per cent of the approved capital costs and $2,000 per job. The same company is putting up another plant in the same place, Hoyle Township. The type of industry is described in the bulletin as "roasting and sulphuric acid." It is a new facility, and the estimated capital cost is $17,200,000. Estimated employment will be 90 people. We have offered 11 per cent of the approved capital costs and $2,000 per job. If there was ever a company in this country that did not need such assistance it is that company. Mr. Speaker, that company is well able to look after itself.

We gave that company a tax holiday. We gave it other advantages. All the minerals it is going to mine have belonged to Canada. This is an extensive operation, and in return that company will supply us with 360 jobs in one plant, maybe 400 jobs in the mines, and possibly 90 jobs in the sulphuric acid plant. That's a great big deal, Mr. Speaker! That company could not possibly place

these facilities anywhere else. Ontario provincial law made it place them there.

I have looked over the projects listed for Quebec, which is fortunate in having the Minister of Regional Economic Expansion (Mr. Marchand) as one of its representatives. Exactly the same picture applies there. There are food processing plants. Obviously, you process the food where you produce it. Then, there are saw mills. Obviously, you cut the logs into lumber where you produce them. I am not objecting to Quebec having these plants. If we have the money to supply them, then all well and good. But, Mr. Speaker, one of these days we will have to take a real look at what we want in the way of regional development.

We will have to assess the cost of putting industries in our major cities, new industries which will involve new subways, new highways, new recreational facilities, and more expensive pollution and environmental control. We will have to weigh all these things, and then decide whether there is an advantage in putting new industry in major cities. Every time I travel beyond a major city I go for at least ten miles before reaching the outskirts of it, and that ten miles is taken up with industrial plants. This is true of Quebec City, Hamilton, Toronto, Montreal, Windsor, Vancouver or any other major city you care to name. Yet in my area a number of mines have been closed down, and some 4,000 to 5,000 people are living in communities that could support small factories employing about 100 people.

It is on this point that the hon. member for Prince Edward-Hastings is right. If a factory is placed in a small community, and we do not charge the company any taxes for a period of ten years, it will at least keep the 100 people it employs off the welfare rolls. In the mining communities we have the highest welfare rate in the province of Ontario, running somewhere from 4 per cent to 6 per cent. Welfare is our biggest industry. If we did not have that kind of welfare the communities would be bankrupt.

If we put a factory in such a community we would have 100 people working. They would pay municipal taxes. They would want new sewers, and new water supply. They might require more buildings, and in that way would generate more employment. For every person employed in the factory, probably two or three others would be employed in service industries. Why can't the municipalities do that now? It is because in Ontario there is a law which says that municipalities are not allowed to write off taxes against new industries. That is a mistake and should be corrected.

Until we really decide we want to maintain growth centres in Canada and put new industries in them, until we decide we are really interested in providing reasonable economic expansion, reasonable educational and health facilities, and all the other things that are included in the benefits of industrial development, we will only be giving handouts to companies that are going to settle in certain areas any way. We will make it easier for those companies, but the taxpayers will derive no benefit from the money spent. The net result will be that the dividend collectors will be really well off.

We in Northern Ontario are getting more advantage from the $10 million that is spent on emergency gold mining assistance than we will get out of most of the projects that are connected with regional expansion. That is a wrong way to proceed, Mr. Speaker. It is a disgrace when a subsidy provides employment which cannot be obtained through other methods.

Mr. Speaker: Order, please. It being six o'clock this House stands adjourned until two o'clock tomorrow afternoon.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, November 19, 1970

The House met at 2 p.m.

MESSAGE FROM THE SENATE

Mr. Speaker: Order. I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill S-5, an Act respecting weights and measures, to which the concurrence of this House is desired.

ROUTINE PROCEEDINGS

JUSTICE AND LEGAL AFFAIRS

First report of Standing Committee on Justice and Legal affairs—Mr. Tolmie.

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

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HOUSE OF COMMONS

ORDER FOR ADJOURNMENT UNTIL MONDAY, NOVEMBER 23

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, there have been some discussions between representatives of the parties with respect to tomorrow's business. As I think most hon. members know, arrangements have now been made so that members of the House of Commons from all parties may attend the funeral of our former colleague from Chambly, which will take place in that community tomorrow afternoon. On that basis it would be necessary to depart from the House at 11.45 a.m. and we would not return until almost five o'clock tomorrow afternoon.

There have been a number of discussions with regard to the possible timetable for the House, but I think there is now agreement that rather than attempting to meet for any part of the day it would be more appropriate if we do not have a sitting tomorrow at all. On that basis an order in the following form would seem to be appropriate:

That when this House is adjourned this day, it shall stand adjourned until 2 p.m. Monday, November 23, 1970.

As I say, there have been discussions about an order in this form. If there is found to be general agreement, I wonder if unanimous consent to that order could be sought.

Mr. Baldwin: Yes.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Speaker: Hon. members have heard the suggestion put forward by the Minister of National Defence. Is it so ordered?

Some hon. Members: Agreed.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I rise to move a motion under Standing Order 43 to discuss a matter of urgent national importance—the report of the Dominion Bureau of Statistics yesterday that during the third quarter of this year, which has just ended, the country experienced the highest rate of unemployment it has had in any similar period since the latter days of the great depression of the 1930's; and particularly, the refusal of the government to introduce positive measures to stimulate the economy, and the refusal of ministers, particularly those with economic portfolios, to be present in the House when this important matter is being discussed to listen to the suggestions put forward by the elected representatives of the people for combating serious and rising unemployment.

• (2:10 p.m.)

I therefore move, under Standing Order 43, that this matter be brought before the Standing Committee on Finance, Trade and Economic Affairs, where expert witnesses from the fields of industry and labour can be called to make positive suggestions to the government for dealing with this very serious situation, in the hope that these suggestions will be paid attention to and acted upon without delay.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Prince Edward-Hastings. The motion requires the unanimous consent of the House under Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity, so the motion cannot be put at this time.

[*Translation*]

CANADA CORPORATIONS ACT

MEASURE RESPECTING STATUS OF CROWN COMPANIES

Mr. André Fortin (Lotbinière) moved for leave to introduce Bill C-196, to amend the Canada Corporations Act (Not Agents of Her Majesty).

Some hon. Members: Explain.

Mr. Fortin: Mr. Speaker, I have the honour of introducing this bill the purpose of which is to place Crown corporations on an equal footing with private enterprise. More precisely, this bill has the following objects: to submit public corporations to municipal taxation in the same way as private companies; in a case of bankruptcy, to provide payments to public corporations in the same way as to others, without privilege; to deny them any privileges in the matter of patents; to permit that a writ of mandamus be sought against a Crown corporation in the same way as if it were a private company; and finally to provide that criminal legislation apply to Crown corporations in the same way as it does to private companies.

Mr. Speaker, in other words this bill intends to subject government corporations to private corporation legislation and to take away from them the rights—

Mr. Speaker: Order. I regret to interrupt the hon. member, but he knows that under Standing Order 68 explanation of a bill must be succinct. In any case, I consider that the hon. member has concluded.

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

* * *

[*English*]

CANADIAN BOOK PUBLISHING DEVELOPMENT CORPORATION

On the order: Introduction of Bills:

November 16, 1970—Mr. Howard (Skeena)—Bill intituled "An Act respecting the Canadian Book Publishing Development Corporation".

Mr. Speaker: The House may remember—

Mr. Knowles (Winnipeg North Centre): Could this stand, Mr. Speaker?

Mr. Speaker: —that the Chair raised a matter of procedure in respect of this bill. In view of the fact that the hon. member is not here at the moment, perhaps the bill might be allowed to stand.

Mr. Knowles (Winnipeg North Centre): Stand.

Mr. Speaker: Stand.

[Mr. Speaker.]

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

SIGNIFICANCE OF INCREASES IN PRICES OF BASIC MATERIALS

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to direct a question to the Minister of Consumer and Corporate Affairs, Mr. Speaker. In view of the several price increases in rather basic materials in recent days, which will tend to work their way through the economy, does the minister, on the basis of studies that I am sure he has been making, believe that these constitute part of a pattern and that we may expect further increases in the prices of these basic materials in accordance with this pattern, or does the minister feel that these are simply isolated instances?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): I made it clear in the House yesterday, Mr. Speaker, that the Prices and Incomes Commission had already launched inquiries into the steel price increases and now into the fabricated aluminum price increases. We have no particular studies that would indicate that this constitutes a pattern. With the Leader of the Opposition, I hope it is not a pattern and, if it were, I would hope that the Prices and Incomes Commission and other policies of the government would make sure that it was not a pattern.

Mr. Stanfield: Am I to understand from the Minister of Consumer and Corporate Affairs that he has no knowledge or that his department has no knowledge whether there are likely to be further increases announced in the prices of other, similar products? Am I to understand that the minister has not even conducted such a study?

Mr. Basford: Mr. Speaker, I am not sure just what other products the Leader of the Opposition is speaking about. Does he mean other steel price increases, or does he mean increases in the prices of things made of steel? If he were more specific in his question I could be more specific in my answer.

Mr. Stanfield: Mr. Speaker, by similar products I mean similar products of basic importance in the economy. In view of the increases that have taken place, would the minister not take the trouble at least to make some inquiries to find out whether they constitute a pattern and whether we may anticipate more of such increases, so that we can govern ourselves accordingly in our judgments?

Mr. Basford: Mr. Speaker, the Prices and Incomes Commission and other departments of government are observing these price movements, some up and some down, all the time. We have no specific study under way to determine whether this is a pattern or not or whether those particular price increases constitute a pattern. Copper prices have gone down in some instances, for example. The cost of living index on a year-to-year basis is at the lowest level it has been for a number of years.

Mr. Baldwin: Only because of lower food prices.

Mr. Basford: So we have that pattern being established—

Mr. Speaker: Order, please. I regret to interrupt the minister but it seems to me we are engaging in the field of debate.

REQUEST FOR PUBLIC INQUIRY INTO STEEL PRICE INCREASES

Mr. David Orlikow (Winnipeg North): Since not one inquiry by the Prices and Incomes Commission has led to a finding that price increases in the steel industry, of which there have been many, have not been more than they ought to be, would the government give serious consideration to the repeated suggestion of the steel workers' union that a public inquiry be organized to which all sides involved in the price increase dispute could make their submissions?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, the hypothesis of the question is not entirely correct. The last inquiry by the commission into steel price increases was conducted before the pricing criteria the industry is expected to operate under had been laid down. Whether any particular inquiry is held in public or not is a matter for the commission itself. It has the power under the Inquiries Act to hold public inquiries if the circumstances warrant it. I trust that the United Steel Workers Union will be as helpful and co-operative as it can possibly be in the enforcement of the policies of the commission and the enforcement of the pricing criteria that the steel companies are expected to live up to.

Mr. Max Saltsman (Waterloo): May I direct a further supplementary question to the Minister of Consumer and Corporate Affairs. In view of the evidence which has already appeared, particularly in the white goods industry, that any increase in steel prices is going to be reflected in higher prices of other commodities, would the minister ask the steel industry to withdraw its price increases until the Prices and Incomes Commission can report?

Mr. Basford: Mr. Speaker, I believe that question was answered yesterday by the Prime Minister.

* * *

POWER

SKAGIT RIVER—POSSIBLE FLOODING OF VALLEY—APPLICATION FOR APPROVAL OF CONSTRUCTION OF DAM

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources may I direct my question to the Acting Prime Minister. In view of the February 13, 1970, statement by the Secretary of State for External Affairs that before any dam construction can begin which would result in the flooding of the Skagit Valley approval must first be granted by the Department of Energy, Mines and

Resources, may I ask whether any such application from Seattle Power and Light has been received by the government?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, this is the sort of question that should be directed to the Minister of Energy, Mines and Resources when he is in his seat.

Mr. Baldwin: Have there been any dam talks?

Mr. Rose: May I ask the Acting Prime Minister if the government has received any information from the legal officers of the Crown supporting the contention of the Secretary of State for External Affairs that first, such an application must be submitted to the Department of Energy, Mines and Resources?

Mr. Sharp: I would like to take that question as notice, Mr. Speaker, since it involves a legal opinion.

Mrs. Grace MacInnis (Vancouver-Kingsway): A supplementary question, Mr. Speaker. The people of British Columbia would like the minister to assure the House that the government will take whatever steps are necessary to prevent the flooding of the Skagit River valley.

Mr. Sharp: Mr. Speaker, the whole situation has been under most urgent consideration by the government.

Mr. Randolph Harding (Kootenay West): A supplementary question to the Secretary of State for External Affairs. This is a very vital problem in British Columbia. Is the government prepared to renegotiate with Washington the provisions in the 1942 agreement of the International Joint Commission relating to the Skagit River? If not, and if all other methods fail, will the government be prepared to introduce legislation to stop this flooding?

Mr. Sharp: Mr. Speaker, this is a very far-ranging question. I will take it as notice, and perhaps the government will be making a statement soon regarding its position.

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BILINGUALISM

QUEBEC GOVERNMENT DIRECTIVE RESPECTING CORRESPONDENCE—EFFECT ON FEDERAL GOVERNMENT PROGRAM

Mr. Gordon Ritchie (Dauphin): I have a question for the Secretary of State. Is the recent directive of the Quebec government that communications with Ottawa institutions and municipal governments be unilingual only in accord with the federal government's program to assist bilingualism in all provinces?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I cannot say there is agreement or disagreement, since I am not fully informed of the decision the Quebec government has taken. I will just say that, as far as the

policy of the federal government on bilingualism is concerned, I don't see how that decision can help its implementation.

* * *

[*English*]

EXTERNAL AFFAIRS

PAKISTAN—ASSISTANCE TO CYCLONE AND FLOOD VICTIMS

Right Hon. J. G. Diefenbaker (Prince Albert): My question is directed to the Secretary of State for External Affairs. It is in connection with a matter that is close to the hearts of all Canadians, namely, the terrible catastrophe in Pakistan. The extent of the catastrophe in this Commonwealth country seems to be mounting from day to day. By today's estimates there is the possibility that close to half a million people have died and 235,000 are homeless. Will the minister say whether the government is considering a substantial contribution? Fifty thousand dollars is merely a drop in the bucket compared with what is needed. Indeed much more assistance has been given to countries outside the Commonwealth. Is provision being made for a lead to be given by the government to enable private citizens to engage in a crusade for funds with credit being given to them in connection with their income tax returns?

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the right hon. gentleman has asked two questions. The first relates to the contribution that the government of Canada might make to the relief of the victims of these great tragedies in East Pakistan. The other relates to the larger question of the organization of a fund to which the public might contribute. We have now received a request from the government of Pakistan for substantial quantities of relief supplies. It has only just arrived. This matter is under consideration at the moment, and it may be that a decision will be reached some time today. I am quite confident it will involve a very substantial sum.

With regard to the second question, I hope that I or officials of my department will shortly have discussions with those who are considering the organization of a fund to which the public might contribute. I hope that some means can be found to facilitate it because I share with the right hon. gentleman the view that the people of Canada are deeply touched by this great tragedy whose dimensions seem to grow from hour to hour.

Mr. Diefenbaker: That is the answer I expected from the minister. The catastrophe seems to be as great as was the flood during the days of Noah. I should like to ask whether anything is being done to mobilize helicopters from across Canada to enable them to join the fleet which the United States is preparing, to the end that Canada shall make a substantial contribution to transportation in this connection, bearing in mind that helicopters are the only means of transporting supplies to certain of the areas affected?

Mr. Sharp: The gift which I hope the Canadian government will approve could be available for this purpose. The immediate request we have received, however, is for blankets, medicines and so on, and we feel we should give priority to the request of the Pakistani government itself.

Mr. Diefenbaker: On the basis of such a request would the minister tell us what will be the value of the contribution which Pakistan has suggested that Canada should make? I am not trying to pin it down within $10,000, but approximately what would be the value of the assistance requested?

Mr. Sharp: The request is for supplies of various kinds. It is my hope that the donation will be in the millions of dollars.

Mr. David MacDonald (Egmont): In view of the fact that students at the University of Ottawa have been gathering materials of the kind the minister has been describing, will the government give favourable consideration to providing some form of transport so that goods collected by citizens groups in Canada can reach East Pakistan in the quickest possible time?

Mr. Sharp: Yes. This is a problem we have in connection with our own supplies and it will be looked at in the light of any voluntary contributions which are made.

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VETERANS AFFAIRS

APPEAL FOR INTERIM INCREASES IN DISABILITY PENSIONS AND ALLOWANCES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Minister of Veterans Affairs. In view of the urgent appeal addressed to the government by the President of the Royal Canadian Legion on behalf of the veterans organizations of Canada for interim increases in disability pensions and war veterans allowances, will the government consider responding to this appeal at an early date?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Yes, Mr. Speaker, as I have said many times we are giving this matter our most sympathetic consideration and I hope that in the very near future I will be in a position to respond more specifically.

Mr. Diefenbaker: That has been the answer for a year.

Mr. Knowles (Winnipeg North Centre): Would the Minister of Veterans Affairs take up with the Government House Leader the possibility of arranging with the various groups in the House for action to be taken with a minimum of debate in order that there might be no delay in dealing with this matter?

EXTERNAL AFFAIRS

JORDAN—ACTION TO SOLVE REFUGEE PROBLEM

Mr. Heath Macquarrie (Hillsborough): I have a question for the Secretary of State for External Affairs. Considering that Canada has been a contributor to UNRWA for a long time, can the minister advise whether his department has obtained a report on existing conditions in the refugee camps in Jordan? If so, can he indicate whether any new initiatives are in progress or in prospect to minimize the hardships in these camps and, hopefully, to make some assault on the solution of this too long existing refugee problem?

Hon. Mitchell Sharp (Secretary of State for External Affairs): As the hon. member knows, Canada has been one of the largest contributors, proportionately, to the funds available to UNRWA. The latest reports we have received are to the effect that the organization is in very serious financial circumstances. We have not yet decided whether it would be appropriate for Canada to make another contribution, since our contribution is already, proportionately, very substantial, but we are very much aware of the problem and we are considering it at the moment.

* * *

HEALTH

INCLUSION OF OPTOMETRIC SERVICES UNDER MEDICARE

Mr. Robert Muir (Cape Breton-The Sydneys): My question is for the Minister of National Health and Welfare, Mr. Speaker. Further to questions posed to the minister yesterday with reference to the inclusion of optometrists in medicare on a cost-sharing basis, is the minister aware that in the September 21 issue of Key Man Bulletin, a publication of the Canadian Association of Optometrists, it is reported that the hon. member for Fraser Valley East was advised on September 14 by the minister's executive assistant that the subject of federal cost-sharing of optometric services was not only under consideration but that, in fact, it was under way. Would the minister care to elaborate on this statement by his assistant?

Mr. Speaker: Order, please. The hon. member is asking the minister whether he is aware of a reply given by his Parliamentary Secretary. I would not think that a question in those terms is in order.

Mr. Muir: Then may I rephrase it, Mr. Speaker. May I ask the minister whether the statement made by his executive assistant is correct, and is he now ready to include optometric services, on a cost-sharing basis, in medicare?

Mr. Speaker: Order. I would think that the second part of the question might be in order. The hon. member knows he cannot ask whether a statement is correct. If the minister wishes to reply directly to the second part of the question, that would be in order procedurally.

Inquiries of the Ministry

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I have endeavoured to answer this question several times before, namely, that this matter will have to be discussed with the provinces. There are no plans to extend medical coverage, until all provinces are in and Quebec, the last province to come into the plan, only did so recently. The whole question of to what degree coverage will be extended and to which professions it will be extended will be discussed with the provinces over the course of the next several months.

* * *

[*Translation*]

CONSUMER AFFAIRS

INCREASE IN PRICE OF CERTAIN PETROLEUM PRODUCTS

Mr. André Fortin (Lotbinière): Mr. Speaker, I want to ask a question of the Minister of Consumer and Corporate Affairs.

Has he noticed that some companies, like Husky Oil, have just increased the price of their crude and refined oil by about 25.4 per cent, and does he contemplate asking the Prices and Incomes Commission to determine whether this increase is justified since oil products are in abundance in Canada?

[*English*]

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have only noted the press reports, which I take it are what the hon. member refers to. They have been brought to the attention of the Prices and Incomes Commission, but I have had no response from them at this moment.

[*Translation*]

Mr. Fortin: Mr. Speaker, I would like to put a supplementary question to the minister.

In the light of the facts he has just agreed to, does he intend to order an inquiry or ask some of his officials to get in touch with the Prices and Incomes Commission on this subject?

[*English*]

Mr. Basford: Mr. Speaker, the oil companies, like other companies, are expected to adhere to the pricing criteria that have been agreed to and which are being enforced by the Prices and Incomes Commission. If the oil companies are not abiding by those criteria, of course the commission will be inquiring into the matter.

[*Translation*]

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

Considering the answer the minister has just given, would he check with the officials of the Prices and Incomes Commission in order to find out if these companies were consulted by the Commission before the increase was put into effect?

Inquiries of the Ministry

CANADIAN BROADCASTING CORPORATION

SUGGESTED TELEVISING OF PHOTOGRAPHS OF FLQ MEMBERS SOUGHT BY POLICE

Mr. Ian Watson (Laprairie): Mr. Speaker, I have a question for the hon. Secretary of State.

Could he suggest to the CBC that photos of FLQ members now wanted by the police be flashed on the screen several times a day?

[*English*]

Mr. Speaker, if I may have your indulgence, I should like to ask a second question that is unrelated to the one asked of the Secretary of State.

Mr. Speaker: Order, please. The Speaker is very indulgent but perhaps my indulgence can be shown by seeing the hon. member a second time later in the question period.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I shall gladly suggest this to the CBC.

Since I already have the floor, I should like to answer briefly a question directed to me by the hon. member for Annapolis Valley—

Mr. Speaker: Order. The hon. minister will appreciate that I have just reminded the hon. member that he should not in the same instance, direct two questions relating to different issues. In my opinion, the same rule applies to the hon. minister and as much as possible I intend to recognize the hon. minister presently.

* * *

[*English*]

ENERGY

REQUEST FOR STATEMENT ON RESOURCES POLICY

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Acting Prime Minister which he may wish to deal with as Secretary of State for External Affairs. Does the government intend to make a statement or to publish a white paper on its energy resources policy before discussing the matter with United States authorities?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I would have thought that it would be very useful to have as wide an exchange of views as possible on this subject, including discussions with the United States secretaries, before the government does announce its policy.

Mr. Aiken: Could I ask the Acting Prime Minister whether, in view of the varying statements being made by different ministers on this subject, it would not be possible to have at least a paper correlating to some extent the various statements of ministers?

Mr. Sharp: Mr. Speaker, I think it is probably a measure of the complexity and difficulty of the problem that there is some difference of view at the moment, and perhaps this will help to stimulate discussion. The government is very concerned that it should arrive at a decision that is in the interests of all the people and that all points of view should be considered. I think that some difference in view among ministers before the government has made up its mind is really quite useful.

Mr. Aiken: A further supplementary question.

Mr. Speaker: Order. The hon. member for Simcoe North.

* * *

HEALTH

FINANCIAL ASSISTANCE TO PERSONS IN NURSING HOMES

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to direct my question to the Minister of National Health and Welfare. On January 28 and March 24, 1970 I asked the minister whether he had met with his provincial counterparts to discuss extending financial assistance to persons discharged from hospitals to nursing homes. Can the minister tell the House whether he did discuss this matter with his provincial counterparts, as he promised, at the last federal-provincial ministers conference or on another occasion? If so, will the government be announcing new policy regarding this question, and when?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, the hon. member will be aware that since he asked the question there has not been a formal federal-provincial conference of ministers. One is anticipated within the near future—I am talking in terms of the next couple of months—and this question will undoubtedly be raised at that time.

Mr. Rynard: May I ask the minister whether the government is going to present a positive and specific response to the Canadian Hospitals Association when they raise this matter with the government shortly?

Mr. Munro: As the hon. member may be aware, we are already sharing with the provinces the cost of nursing homes under the Canada Assistance Plan. Extending assistance in this area under hospitalization right across the board would, I think, be a very serious matter in terms of discussion with the provinces who are very concerned with rising health costs. Just how far they would be prepared to go along with us—and we would need their agreement to extend coverage in this area—is very questionable. As I say, this is a prime area of discussion; it has been raised on several occasions over the last year or two, and I expect will be again.

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TRADE

ACTION RESPECTING INDUSTRIES, INCLUDING GRAIN, ADVERSELY AFFECTED BY FLOATING EXCHANGE RATE

Mr. John Burton (Regina East): Mr. Speaker, I wish to direct my question to the Minister of Industry, Trade and

Commerce. It arises out of the government's undertaking to consider the position of industries adversely affected by the change to a floating exchange rate last summer. I understand that the minister received representations from such industries. Could the minister indicate whether the government has taken action in response to such representations? If so, would the minister undertake to make a statement on motions at an early date outlining what action was taken?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, our position was to receive representations from each of these companies that could claim it had been hurt by revaluation and try to render assistance on a very practical basis. I do not know whether I could provide an analysis of the information that was given, because it has taken the form of services and advice of all kinds. I presume that there would be too many categories to try to report on that particular matter.

Mr. Burton: Mr. Speaker, I should like to ask the minister whether any consideration was given to the adverse effects of the revalution on the grains industry which is already suffering from a combination of bad situations and conditions? Has any action been taken by the government in that regard?

Mr. Pepin: Mr. Speaker, I seem to recall reading a copy of a letter sent to the hon. member on that subject in which it was explained to him by the acting minister or the minister in charge of the Wheat Board that the effects of revaluation had been compensated by the increases in prices.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Industry, Trade and Commerce whether it would be correct to infer from his difficulty in making the statement requested by the hon. member that a substantial number of industries have found themselves in difficulties as a result of the change in the value of the Canadian dollar?

Mr. Pepin: That is very well known, Mr. Speaker.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Regina East on a supplementary question. However, I must bring to the attention of hon. members that there are only a very few minutes left, and I suggest we should have no more supplementary questions.

Mr. Burton: I should like to make a correction first, if I may. The letter I received was from the Minister of Industry, Trade and Commerce.

Mr. Speaker: Order, please. The hon. member has the floor for the purpose of asking a supplementary question.

Mr. Burton: Thank you, Mr. Speaker. I was going to ask the Minister of Industry, Trade and Commerce whether he would give special consideration to the fact that in spite of the limited recovery in grain prices these prices are still depressed and that there was a particularly bad effect upon the grains industry, which should be taken into account by the government.

Inquiries of the Ministry

POST OFFICE

INCOME TAX DEDUCTIONS FROM RETROACTIVE PAY

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I have a question for the minister responsible for the Post Office. In view of complaints from postal workers that sums approaching $165 in income tax have been deducted from retroactive pay amounting to $574 awarded to postal workers, will the minister undertake to determine if the amounts deducted at source are excessive?

* * *

POLLUTION

GREAT LAKES—MEANS USED TO PERSUADE UNITED STATES TO MAKE GREATER EFFORT TO CLEAN UP CONTAMINATION

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I have a question for the Acting Prime Minister. Was the Minister of Fisheries and Forestry revealing government policy when he indicated yesterday that Canada will try to use United States demands for Canadian resources to persuade Washington to make a greater effort in cleaning up pollution along the border, specifically in the Great Lakes area, and, if so, will an official statement be made soon in Parliament?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I can assure the hon. member that we are using every possible means in trying to persuade the United States to clean up pollution.

[*Later:*]

BORDER WATERS—MEASURES TO BE TAKEN BY UNITED STATES TO CLEAN UP CONTAMINATION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I should like to direct my question to the attention of the Secretary of State for External Affairs. In view of the strong statements made yesterday by the Minister of Fisheries and Forestry on pollution control, has the minister any report to make to the House on the measures that will be taken by Washington to help clean up the pollution of Lake Erie resulting from the use of detergents, or the pollution of the Saint John River as a result of the use of starch and fibres or, for that matter, the pollution of any other body of water on the border between Canada and the United States?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have no intention of making such a statement at the present time. As the hon. member knows, it was mainly as the result of the initiative taken by Canada and the International Joint Commission that we are now seriously engaged in dealing with these problems on both sides of the border. We are trying to attain co-ordination of effort, and to get the United States to play its full part in the measures we have been taking.

Inquiries of the Ministry

[*Translation*]

NATIONAL SECURITY

WAR MEASURES ACT—PAYMENT BY QUEBEC FOR SERVICES OF ARMED FORCES

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to direct a question to the Minister of National Defence.

The Quebec Minister of Financial Institutions stated on November 17, in a speech to Loyola College students, that the government of Quebec would pay for the services of the armed forces only for the day preceding the implementation of the War Measures Act. May I ask the minister whether this statement is in accordance with the objectives of the current negotiations between the two governments?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, I have seen this report. I suggest that the hon. member is asking for an opinion of a legal nature, which is out of order.

May I say to the hon. member that the discussions on the matter have not yet been completed, and that we hope to get a favourable answer in the near future.

* * *

[*English*]

AGRICULTURE

NORTHEASTERN ALBERTA—SUGGESTED LOW-INTEREST LOANS TO FARMERS BECAUSE OF HARVESTING DIFFICULTIES

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of Agriculture. In an area in northeastern Alberta of approximately 1,000 square miles adverse weather conditions have prevented farmers from picking up hay and harvesting grain. I wonder whether the minister would be willing to give consideration to the establishment of low-interest loans to these farmers to enable them to buy, first of all, feed for their animals and, second, food for their families?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I am sure the hon. member knows we have cases similar to this in many localities in Canada almost every year. For a number of years the response of the federal government has been consistent, that after we introduced and paid for a very large portion of the crop insurance program requests for this kind of assistance should be directed to the provinces.

Mr. Baldwin: Let them eat white papers.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

QUEBEC—REQUEST FOR BROADCASTING OF FOOTBALL PLAYOFFS IN FRENCH

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I should like to put a question to the Secretary of State.

[Mr. Sharp.]

Could he use his influence with the CBC so that the football semi-finals being played over the coming weekend might be televised over the French network in the province of Quebec? They are now being broadcast only in English.

* * *

[*English*]

BUSINESS OF THE HOUSE

BILL C-190—SUGGESTED REMOVAL OF WHIPS AT COMMITTEE STAGE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to direct a question to the Acting Prime Minister. In view of the growing opposition to certain aspects of Bill C-190, would he and his colleagues agree to have the Whips taken off at the committee stage of the bill so there will in fact be no inhibitions on the part of all hon. members on both sides of the House in joining to defeat this most iniquitous legislation?

Mr. Speaker: Order, please. The hon. member is attempting to resume a debate initiated yesterday during the question period.

* * *

REGIONAL ECONOMIC EXPANSION

FINANCIAL ASSISTANCE IN FAST GROWTH AREAS

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Has the government under consideration any amendment to the legislation which allows the establishment of special areas with a view to making federal financial assistance available in fast growth areas, with particular reference to what has been referred to as community infrastructure? I ask this question particularly in view of representations which have been made by the government of British Columbia.

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I do not think it would be necessary to amend the act, since it allows us to designate special areas by order in council, when there are good reasons to do so and it is agreeable to the various levels of government.

* * *

[*English*]

CONSUMER AFFAIRS

FARM MACHINERY PRICE INCREASES PROPOSED BY WHITE MOTOR COMPANY

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Agriculture. Has he had an opportunity of ascertaining from the White Motor Company whether it in fact intends to introduce price increases? Has the minister in his discussions with offi-

cials of this company been able to convince them that if they had not been so negligent in sending out parts, sometimes taking more than three weeks—

Mr. Speaker: Order, please. The hon. member's question is more of a submission to the government and I would not think it is acceptable in that form.

Mr. Korchinski: Could I ask if the minister has been able to ascertain whether this company will in fact introduce its price increases before the price of steel is increased?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I have not been able to ascertain that.

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BROADCASTING

NORTHERN NOVA SCOTIA—TELEVISION COVERAGE WITH PROVINCIAL NEWS CONTENT

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Secretary of State. Is the minister in a position to inform the House what action will be taken by the CRTC to provide the residents of northern Nova Scotia with television coverage that contains Nova Scotia news content, which is presently not available, or will he obtain this information and report to the House?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I cannot answer the question straight off. I do not know whether the CRTC has taken decisions or made plans in that regard, but I would be happy to inquire and transmit the information to the hon. member.

[*Later:*]

[*English*]

NORTHERN NOVA SCOTIA—HEARING OF CABLEVISION APPLICATIONS

Mr. H. Russell MacEwan (Central Nova): My question is in line with the question asked by the hon. member for Cumberland-Colchester North. When the secretary of State is checking with the Canadian Radio-Television Commission, will he ensure that cablevision applications for the Pictou County area, which is northern Nova Scotia, will be heard at the Maritime hearings of the commission which are slated for early in the new year.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Yes, Mr. Speaker.

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INFORMATION CANADA

REQUEST FOR ESTABLISHMENT OF ADDITIONAL CENTRES

Mr. Gaétan-J. Serré (Nickel Belt): Mr. Speaker, I should like to put a question to the minister of the Crown responsible for Information Canada.

Could he tell the House whether he intends to establish other Information Canada centres elsewhere in the country? If so, could he tell us which areas or cities will have priority?

Mr. Speaker: In my opinion, this information could be given to the House in a statement on motions. If there is some urgency in that respect, the hon. member could notify the Chair so that the matter could be discussed at the time of adjournment.

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

Mr. Speaker: Order. Perhaps the hon. member could then also discuss the supplementary question at that time.

Mr. Serré: Ten o'clock, Mr. Speaker.

* * *

[*English*]

INDUSTRY

LONDON, ONT.—CLOSURE OF EATON AUTOMOTIVE PLANT

Mr. R. E. McKinley (Huron): I have a question for the Minister of Industry, Trade and Commerce regarding the announcement this week that the Eaton automotive plant in London, Ontario, will be closed early next year throwing about 300 men out of work. I ask this question because the London plant is located on the edge of the constituency of Huron and many people from Huron are employed there. Will the minister look into this and see whether anything can be done?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I have already done that. Indeed, a decision has been taken by the United States parent company to transfer the heavy duty truck transmission operation to a U.S. subsidiary. This is bound to happen in a qualified free trade agreement, and when it is in our favour complaints are made by employees in the United States to their government. We expect transitional assistance benefits to be requested in the near future. I might complete my reply by saying that plants of the same company in Toronto, Scarborough, Wallaceburg, Woodstock, St. Catharines, Hamilton and Chatham are not affected by this decision.

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HEALTH

STUDY OF SOLID WASTE DISPOSAL

Mr. Lincoln M. Alexander (Hamilton West): I would like to direct a question to the Minister of National Health and Welfare of which I believe he has notice. It has to do with solid waste disposal in Canada. In view of the fact that the public health engineering advisory committee made a strong recommendation to the Department of National Health and Welfare that a preliminary study of this serious problem be undertaken, can the minister advise whether such a study has been undertaken and, if

so, would he be prepared to make a statement on motions as to the results of the study?

Hon. John C. Munro (Minister of National Health and Welfare): I do not think a statement is necessary, and I thank the hon. member for giving me notice of the question. The advisory committee on public health did set up a subcommittee under Dr. Jones of the University of Toronto. He went into the extent of the problem and the needed areas for further research. That brief is going to be approved by the health committee and then taken up with the science secretariat. It is still very much in the study stage within the department and within the government.

* * *

INDUSTRY

GENERAL MOTORS—USE OF FRENCH AS WORKING LANGUAGE AT STE. THÉRÈSE PLANT

Mr. David Orlikow (Winnipeg North): I have a question for the Minister of Industry, Trade and Commerce. Would the minister use his influence with General Motors and join with Premier Bourassa and the United Auto Workers Union in trying to persuade that company to agree to make French the language of work at its Ste. Thérèse plant so the strike may be settled as quickly as possible?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I would be very pleased to do so, Mr. Speaker, now that I have been requested to do so.

* * *

PUBLIC WORKS

ATLANTIC PROVINCES—PROVISION OF ADDITIONAL FUNDS IN FURTHER SUPPLEMENTARY ESTIMATES

Hon. J. A. MacLean (Malpeque): My question is for the Minister of Public Works. Is it his intention to include in the next set of supplementary estimates amounts to provide for capital expenditures in the Atlantic provinces to alleviate unemployment during the upcoming winter months in view of the fact that this area of Canada seems to have been carefully omitted from the present estimates?

Hon. Arthur Laing (Minister of Public Works): It would be our hope and intention to include votes in the estimates for the Maritime provinces. Over a five-year period the Maritimes have done better than any other part of Canada.

An hon. Member: That is not very good.

Mr. Knowles (Winnipeg North Centre): God help the rest of Canada.

Mr. Laing: It would be our intention, however, to build installations there that are conducive to continuing employment rather than merely to provide employment in the building thereof.

[Mr. Alexander.]

HOUSING

URBAN RENEWAL AREAS—LOW-INTEREST LOANS FOR REHABILITATION PURPOSES

Mr. John Gilbert (Broadview): My question is directed to the minister in charge of housing and urban affairs. In view of the recent agreement between the city of Toronto and CMHC making loans available to home owners for rehabilitation purposes at low interest rates in areas not designated as urban renewal areas, would the minister consider making money available to urban renewal areas in a similar way so we could avoid the bulldozer approach to those areas?

Hon. Robert K. Andras (Minister without Portfolio): There is a great deal of merit in the suggestion of the hon. member, and indeed it is the thrust of the experiment we are negotiating with the city of Toronto, and I hope to be able to extend that general idea into next year's operations with some funds behind it.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I rise on a point of order to ask my usual Thursday question of the Parliamentary Secretary to the President of the Privy Council regarding business of the House for next week from Monday to Friday.

Mr. Jerome: Today, of course, will see the conclusion of the debate on the opposition motion. Pursuant to the order made today the House will not sit tomorrow. On Monday it is the intention of the government to complete the temporary emergency measures bill, following which we will proceed with government order 36, the surtax on shirts. We will then proceed to the young offenders bill, Bill C-192, followed by the CNR finance bill and the omnibus bill, C-191, to renew several loans programs, followed by the statutory instruments bill, the Buffalo and Fort Erie Bridge bill, and the anti-dumping legislation.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—NON-CONFIDENCE MOTION—ALLEGED LACK OF POLICIES AND PROGRAMS TO PREVENT UNEMPLOYMENT, POVERTY AND SOCIAL INJUSTICE

The House resumed from Wednesday, November 18, consideration of the motion of Mr. Stanfield:

That this House condemns the government for increasing the economic inequalities between different regions of Canada by its opposition to full employment policy and its refusal to use short term and long term programs in a timely and effective manner to prevent the resulting recession-level poverty and social injustice now widespread in Canada.

and the amendment thereto of Mr. Douglas, (Nanaimo-Cowichan-The Islands) (P. 1298).

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, without question we are faced with the most difficult winter that we have had in years, both from the point of view of employment and the economy. The realization just now seems to have hit the government, probably too late. Despite the growing promises in the Speech from the Throne and in the hundreds of speeches that cabinet ministers have made all over the country, Parliament and the government are in neutral gear. We have done nothing but talk about the situation in Quebec, urged on by rumours originating from government sources.

Even if we had set all that aside, there is practically nothing on the Order Paper for us to consider that would do anything to meet the emergency situation. Just now we had an outline of the business to be dealt with within the next week, and it is a dismal effort as far as any measures to improve the economy or to relieve the employment situation are concerned. Just look at the 20 pieces of legislation on the order paper right now. There is hardly one job creator in the whole lot. There are bills concerning the labelling of products, statistics publication, cutting the powers of the Auditor General, amendments to the Customs Tariff, and so forth. Then, we should look at this week's accomplishments so far as this Parliament is concerned. Monday and Tuesday we spent on the public order temporary measures bill. Yesterday and today, we have the special debate to urge some action to relieve the unemployment situation. Tomorrow, we will not be sitting. That does not give any feeling of confidence to those who are watching this government and Parliament in our ability to meet an emergency situation.

In my opinion the time has come for us in the House to face up to the ridiculous and tragic situation to which we and our country have been brought. A couple of dozen revolutionaries in Montreal have made fools of the Canadian government and the Canadian people. They have panicked the government into declaring a state of war or insurrection. They have frightened the life out of everyone in Quebec. They have given the rest of Canada a national emotional binge. They have eluded the police for six weeks, although apparently they are still around the city of Montreal. They have caused Canada to lose its high standing internationally, and Quebec to lose millions of dollars economically. The government of Canada has played into their hands right down the line, and we look more foolish as the days go by.

• (3:00 p.m.)

We have spent six weeks of Parliament's time in discussing the War Measures Act and the temporary public order bill while the nation's economy is crashing down around us, the unemployed are walking the streets in increasing thousands, and pollution is continuing to choke us and ruin our heritage. Sitting in this House during the six weeks since the session began has been among my most saddening and frustrating experiences here.

As we watch unemployment and misery in Canada mount, as the number of letters sent to members looking for help and jobs increases, and as the economy deteriorates the government has sat apparently helpless, and without policy or action. The Prime Minister (Mr. Trudeau) has concerned himself almost entirely with the political situation in Quebec. The rest of Canada must wait.

The Prime Minister has indicated no concern, in any remarks he has made in this House or outside it, about the human misery, or unemployment. They are only figures on a chart. I do not know when the people of the country are going to wake up to the fact that they are being distracted from their misery by a series of confrontations in the province of Quebec. Probably that will come when the Prime Minister's opponents in Quebec become tired of being the whipping boys every time he wants to bolster his image in the rest of Canada.

Within the past few days, the government has indicated that it will allot extra money for the creation of employment this winter. But it is well known that suddenly making money available will not create jobs. You cannot just go out and build a new factory, or create a demand for goods and services in a few weeks. It takes not weeks but months, and in some cases years. The demand for goods and services, for increased production and the reversing of lay-offs in industry, cannot be met unless money is available to the public to buy goods. The tight money policy of the past few months has left less money in people's pockets with which to buy goods and services. Certainly, Mr. Speaker, you do not increase your purchasing power from unemployment insurance or welfare cheques.

So far as inflation is concerned the government itself may be a strong contributing factor. Just today the Miscellaneous Estimates Committee was presented with supplementary estimates for the current year showing an increase of $457 million, almost an extra half billion dollars. Our total federal spending is now $13,355,000,000, but so far as we could learn this morning only $60 million is for job creation this winter, that is $60 million of that $457 million. The $17 million was for student employment last summer. This large increase in government spending can do nothing but increase the inflationary trend unless it is used substantially for job creation, and that certainly does not appear to be the case from the figures presented to that committee. The government is now forecasting a budgetary deficit of some $400 million this fiscal year instead of a surplus of $200 million. It is finally recognizing, to some degree at least, the desperate situation we face this winter.

The extra money being spent would be justified if it were shown that it was being used to create jobs, but this does not appear to be the case. So, the increase in expenditure of half a billion dollars is not to fight unemployment, as is often recommended, but is merely an increase in general spending by the government, an increase which the public will have to meet by way of taxes, which will reduce by that amount the money they have available for purchases.

I would like to look for a few minutes at unemployment prospects for this winter. Unemployment affects the different regions of Canada differently yet, as obvious as that might be, government policy is not tempered by this reality. Apparently the government is obsessed with controlling inflation. However, that applies to everybody else except the government. So far as its expenditures are concerned inflation continues to rise.

British Columbia at present has a rate of unemployment which is higher than the national average. The rate there is predicted to peak this winter with over 13 per cent of its work force unemployed. The highly seasonal nature of employment in the forestry sector accounts for some of this unemployment, and recently the Economic Council has cited the heavy incidence of industrial strikes as another reason for the unemployment picture. Yet this province rightly boasts of one of the best educated work forces in the country, and the highest per capita income in Canada.

The Prairie region traditionally has the lowest level of unemployment of any area in the country. It is worth noting then, Mr. Speaker, that the forecast actual rate of unemployment, set at 8 per cent for this region this winter, is almost double what the area normally experiences. In addition, there is reason to believe that there is considerable hidden unemployment in the Prairies, since the labour force figures omit farmers idled by a slowdown in farm production. Furthermore, it is obvious that the "government's left hand doesn't know what the right's doing"; regional policy has been particularly lamentable for this region.

The government of Manitoba has estimated that that Province has lost more jobs because of the government's closing of certain military bases and the moving of Air Canada's repair facilities to Montreal, than the province has gained through the government's regional incentive programs. The government is trying to pump funds into certain areas to repair the damage it has done itself. As I said previously, Mr. Speaker, pumping money into an area cannot create jobs immediately, or even in the near future. It seems that the quickest way of producing work for people has always been, and will continue to be, through the municipalities and local governments. All of these governments have on their shelves many projects which could usefully be done during the winter months.

• (3:10 p.m.)

In previous years of high unemployment, special projects or winter works have been undertaken with federal and local co-operation. This means that even if a man does not have a permanent job he will be able to go out and do something, giving himself the satisfaction of earning money to keep himself and his family. This could very easily be done through a winter works program but the government has rejected it time and again—perhaps because it was originally a policy of the former Progressive Conservative government. If that is the reason it is a most lamentable situation, because this is where some help could reach those badly in need this winter.

[Mr. Aiken.]

To come now to Ontario, which is the traditional beneficiary of government money and fiscal policies, this centre, under the government's national policy, will not be helped this winter. Peak unemployment is headed for a ten-year high of 7 per cent in Ontario. In some areas within the province local unemployment will be twice the provincial average.

Mr. Speaker: I regret that I have to interrupt the hon. member but I understand that his time expired two minutes ago.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, at the outset I would respectfully recommend to the federal government that when the federal and provincial finance ministers meet in Ottawa on December 7 and 8 to compare notes on the economy and to exchange information on the economic prospects for the next year, the federal government initiate discussions with the provinces immediately on the unemployment situation. They should also discuss joint initiatives that the two levels of governments could take to meet the crisis situation of the jobless in Canada this winter. I understand that most provinces are willing, and indeed quite anxious, to take part in such discussions. I feel it is incumbent upon this government to initiate the studies with the provincial finance ministers when they meet here on December 7 and 8.

This winter Canadians appear to be facing the most severe unemployment crisis since the great depression of the 1930's. According to economists and people eminently qualified to speak on the subject, it is expected that one out of every ten Canadians in the country's labour force will be out of a job by March of next year. This is a very very serious prospect. Should this happen, 750,000 to 800,000 men and women and their families will be facing a bitter struggle for economic survival in the months ahead.

An hon. Member: Shame.

Mr. Carter: It is quite apparent, Mr. Speaker, that, as pointed out by the previous speaker, this government has been so preoccupied with Quebec terrorism and the FLQ that it has all but lost sight of the bitter economic crisis that Canada faces this winter. While it is not my intention to criticize the government's action in Quebec in recent weeks and months, I suggest to them and to the House that there are problems facing Canadians far more serious than the FLQ in Quebec. These are the problems connected with being able to keep body and soul together during the coming winter and are a result of this government's illogical and completely insane policies to fight inflation which have had a ruinous effect on the economy of this country to the grief and sorrow of the average man, the unemployed, the untrained, the underemployed and the little people of Canada generally.

Instead of dealing with unemployment with the same vigour and enthusiasm, and the same degree of urgency

that has been applied to imposing law and order in Quebec, the Prime Minister (Mr. Trudeau) and his colleagues have been groping around like blind men, groping around in a daze as though they do not really believe that things are going to be very bad in Canada during the coming winter. They have used the old ostrich psychology of sticking their heads in the sand and pretending all is well.

I feel that this House and Canadians generally, Mr. Speaker, should demand, must demand, that this government treat the coming winter unemployment as an emergency, and must produce emergency measures to deal with it.

Some hon. Members: Hear, hear!

Mr. Carter: Whether the government wishes to acknowledge this fact or not, it does have a moral obligation to deal with this problem which has been created to a large extent by its own illogical and irrational inflationary policies of the past year and a half.

The unemployment situation in Canada is a continuing embarrassment to the government's fight against inflation. The House knows that the embarrassment is much more acute when the unemployment figures are released by the Dominion Bureau of Statistics. The result is that the government has developed a method of presenting unemployment figures which makes them appear better than they are. I might say that it is quite obvious to most members, and I am quite sure to the Canadian public, that the government has actually succeeded in fooling itself by its own figures. However, I am sure they are not fooling the average man and certainly they are not fooling the large number of Canadians who now find themselves unemployed or are facing the prospect of unemployment during the coming winter months.

Economists tell us that by February, 1971, an estimated three-quarters of a million Canadians will be out of work. Donald MacDonald, President of the Canadian Labour Congress, has predicted that by February our unemployment figures will reach 9 per cent. Other observers have predicted that the rate could go as high as 14 per cent for the same period.

An hon. Member: Shame.

Mr. Carter: It appears that this government has an obsession with inflation, Mr. Speaker. The Minister of Finance (Mr. Benson) and the Prime Minister have embarked upon a program of economic policies that guarantee no assurance of success and no assurance that they can beat inflation without having a ruinous effect on the economy.

The unfortunate aspect of this government's folly is that the people who contribute less to inflation, the untrained, the unemployed, the people who are barely scraping a living, the widows and the orphans and the people on the welfare rolls, are the real victims of this government's anti-inflationary policy.

What we need in Canada, Mr. Speaker, is an economic policy which is devoted to growth and full employment for all Canadians. It is unfortunate that our country, which boasts of having the second or third highest per capita income in the world, should have such a high degree of poverty. The elimination of the disparity between our "haves" and "have-nots" presents a monumental challenge to our leaders, but unfortunately the present government has failed in its mandate and has been unable or unwilling to meet this challenge.

The fourth report recently published by the Atlantic Provinces Economic Council has revealed some startling statistics with regard to the economic conditions of the Atlantic region. For example, it is said, I believe, that in 1969 one person in four in Atlantic Canada was either unemployed or employed on some job that paid very low wages which were barely sufficient to keep body and soul together. We also find that conditions were such in Atlantic Canada between 1956 and 1969 that there was a mass exodus of people from that area. Indeed 209,000 people—I repeat, 209,000 people—were forced because of economic conditions to move from the Atlantic area between 1956 and 1969. This, I believe, underlines the serious weakness of the economy of that region. Newfoundland lost 54,000 people in the same period. Other Atlantic provinces lost large numbers of people they could not afford to lose.

• (3:20 p.m.)

It appears, Mr. Speaker, that the difficulties were brought about because this government refused to acknowledge that Canada is made up of four or five different areas or regions. Instead, it has adopted the same policies right across the country in fighting inflation and unemployment. Quite obviously, the government ought to adopt regional policies for dealing with the difficulties in each of the regions. It is sheer madness to expect the Prairies and the Atlantic provinces to pay the price for the government's fight against inflation when those regions are already suffering their worst unemployment in years. The result of the government's policies in fighting inflation is economic chaos, and complete and utter frustration in the provinces that are affected most. I think I am not exaggerating when I say that the Atlantic region has probably been affected more by the government's anti-inflation policies than any part of Canada, with the exception of Quebec perhaps.

I should like to make a few proposals which the government may wish to consider and implement in the months ahead. They may help to alleviate the very serious difficulties brought about by unemployment. I strongly recommend that the benefits payable to all eligible unemployed persons be increased, to alleviate the distress that has been caused to many by the loss of their jobs. Families without any weekly income need money now, and not in two months time or whenever the white paper of the Minister of Labour (Mr. Mackasey) will be implemented. They need money now, because their chances of gaining employment are growing slimmer every week.

I also recommend that the government should increase the funds available under the Canada Assistance Plan. Reports from many cities indicate that municipal funds in this field are all but exhausted. This indicates clearly that there is a great need for more money, which ought to be distributed to the provinces under the Canada Assistance Plan.

I urge the government to remove financial constraints from the construction industry. Canadians need homes; yet the number of workers in the building industry has declined this year to a greater extent than is customary. The decline this year has been greater than in any year in the past decade.

I call on the government to remove the doubt existing in the minds of many Canadians, many businessmen both large and small, relating to the matter of tax reform in order that industry may have the necessary information with which to finance new development and order new construction. We have seen the Minister of Finance (Mr. Benson) dancing and working around the problem; I am afraid that has been of little consolation to the average Canadian or to the average Canadian businessman, big or small. There is a certain amount of doubt as to how tax reform will affect business.

I also ask the government to cease its attacks on organized labour.

Some hon. Members: Hear, hear.

Mr. Carter: Let it stop using labour as the sacrificial lamb of inflation, because this is what it is doing. We need the co-operation of labour, and I am sure this co-operation could be achieved if a new climate were created by this government. Instead of trying to pin the responsibility for what is happening on labour, let us try to get together with labour and work out the means whereby we can help each other to create a new climate.

I strongly urge the government to support the construction of urban transit projects. Most cities have in existence detailed urban transit plans; all they are requesting is the money to put those plans into effect. I ask the government to inaugurate immediately, in consultation with the provinces and municipalities, plans under which we can start work on sewage treatment plants and other anti-pollution measures.

Programs such as I have enumerated are intended to create new jobs and new job opportunities. Such programs, working through the public and private sector, would stimulate the economy and hence, of course, increase the demand for labour. Regionalized winter works and house construction would also provide additional stimulus to the regions. Accelerated transfers to provincial governments would enable those governments to meet their commitments. I also ask the government to step up grants under the regional industrial incentives program.

I heard an hon. member yesterday refer to the industrial incentives program, and he spoke as though this program were the answer to all our problems. I ask him to reconcile his position, that these programs are the answer to all our difficulties, which the high rate of unemployment from which we suffer at present.

Mr. Speaker: Order, please. I regret that I must interrupt the hon. member. His time has expired.

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, throughout Canada's history, the various governments which have run this country have seeked to abolish what we call regional disparities, or at least to lessen them considerably.

When Canada came into being, it was felt that by creating a national common market, by building a railway to link east and west, not only would the economic activity be stimulated, but the wealth would be distributed more equitably between various areas. After many years, it was quickly realized that it was not sufficient to link east and west with a railway, and that other means had to be found.

After the Rowell-Sirois Commission, we came to adopt the equalization formula. It was then believed that by trying to re-establish a better balance between the provinces from the standpoint of income, it would be possible to abolish those disparities or at least to lessen them to a considerable extent.

Well, in spite of all those commendable efforts, it was quickly realized that this second method was still insufficient. Then came the series of special programs designed to assist the areas of the country which were developing less rapidly than the others.

As early as the thirties, the Prairie Farm Rehabilitation Act, better known under the name of PFRA, was enacted. Somewhat similar legislation was in effect in the Maritimes. Then, what has been called ARDA was enacted in order to promote rural development. The ambit of ARDA was later enlarged in order to implement more general programs under FRED. Then we attempted, with industrial incentives, to encourage the establishment of industries in areas with a slower rate of growth.

Last year, on July 1st I think, the House passed a new piece of legislation on industrial incentives which provided for the setting up of special areas and gave us the authority to help those individuals faced with readjustment problems because we realized that up to that point, in spite of our efforts, disparities remained.

Had these programs not been applied, would these disparities be the same? We can safely say that they would probably be greater than they are now. However, these are hypothetical inferences which make it rather difficult to reach concrete conclusions.

When we initiated these new programs, we did not kid ourselves. We never though that overnight we would succeed in solving the problem of regional disparities in Canada. On the contrary we knew we would have to spend quite some time on it.

For instance, when a subsidy is granted to a company, normally it takes one or two years before that company goes into production, especially if it is of a certain size.

The same situation applies to special areas where we undertook the develop an infrastructure in order to create development centres capable of providing the various areas of Canada with equal opportunities. We know fully well that the designation of an area is not enough to solve its problems but the tools needed to give equal opportunities to Canadians, wherever they live, are available to us.

A moment ago I was reading the speech made yesterday by the member for Nanaimo-Cowichan-The Islands (Mr. Douglas). He said of course—that is his usual argument—that not only did the government fail to do anything to eliminate regional disparities but that they have increased since this government is in power.

Mr. Speaker, I would like to make my first remark now. The slate of programs I administer have never been designed to fight a general economic slow-down in this country. These regional development programs can reach their full efficiency provided the overall economy works normally. Therefore neither ARDA nor FRED nor the law on industrial incentives should be expected to straighten up our entire economy. We should rather consider these measures under their true aspects.

• (3:30 p.m.)

[*English*]

An hon. Member: What a ridiculous statement.

Mr. Marchand (Langelier): Do you want to make a speech?

Mr. MacEwan: You haven't said anything yet. Go ahead.

Mr. Speaker: Order, please. Perhaps the minister might be allowed to make his speech.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, if the hon. members could keep quiet I could proceed with my speech.

These programs were not meant to correct the defaults of our economical activities on a national level.

The tax equalization system and the programs I administer are working normally. When the hon. member is saying that we did nothing his arguments betray complete ignorance of our activities in this field.

Of course, I would like things to progress more quickly. I wish I could do more. If Parliament should agree to grant me three of four times as much money, I would certainly find some way to spend it. One does not need to be a genius to spend money in these areas since it is overwhelmingly needed there.

Therefore, Mr. Speaker, since January 1, 1969, we have assisted, through implementation of the Industrial Research and Development Incentives Act, the establishment of 774 firms in Canada, thus creating approximately 36,940 jobs.

Some hon. Members: Hear, hear.

Mr. Marchand (Langelier): The incentives have called for an overall capital investment amounting to $1.1 billion of which 205 million were directly dedicated to the incentives themselves. So much for the industrial incentives program.

Now, when I say new jobs, Mr. Speaker, I mean those jobs which have been effectively created or those which will be as a result of the grants which have been paid. But these new jobs also give rise to new openings in other areas and I would say—this is indeed a very conservative estimate—that we may expect an equal number of resultant jobs being created in other enterprises.

Of course, I would rather have 200,000 new jobs, but to say that the present number is but a trifle clearly amounts to an exaggeration. If I refer to—

[*English*]

Mr. Burton: May I ask the minister a question?

Mr. Speaker: Order, please. I have to remind hon. members the minister has 15 minutes for his speech.

An hon. Member: He has all the time he wants.

Mr. Burton: The figures the minister quoted, 36,000 jobs and $1.5 billion of development, do these refer just to the Regional Development Incentives Act or do they go back to the old area development incentive program? Do they also include special development area programs? Do they refer to industries in existence or only commitments of grants made by the government?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, part of it refers to the previous regional industrial incentives program, and part of it to the new legislation.

The 774 plants I have mentioned are not all in operation now; however they should be before long and this will provide jobs, as I said.

Concerning the other programs applying to special areas—ARDA, FRED, PFRA and so forth—I can say that they led to the creation of new jobs and to the investment of large amounts of money. In fact, in the Atlantic provinces, $167.6 million have been invested and 10,060 jobs have been created. In the province of Quebec, $40.6 million have been invested and 2,550 jobs have been created. In Ontario, $5.5 million were invested and 330 jobs were created. In western Canada, $31.2 million were invested and 1,870 jobs were created. Total outlays amount to $246 million and new jobs number 14,810. If one takes into account the number of jobs indirectly created, the total figure is about 34,000 new jobs.

Obviously this alone is not sufficient to solve the general unemployment problem in Canada. But to say that our programs designed to minimize regional disparities have not been and are not operative, is sheer irresponsibility. These programs are working well and we are enjoying very valuable co-operation from the Maritime provinces, from Quebec as well as from the other provinces. Furthermore we have reasons to believe that if these programs are intensified, they will help in substantially

reducing the disparities that have existed ever since Confederation.

Once again I say, Mr. Speaker, that those programs are not intended to restore a general situation which is unsatisfactory and which the Minister of Finance (Mr. Benson) has dealt with to some considerable length indicating the solutions he wanted to propose. I feel that these regional expansion programs are very thorough. There are others, for instance, the relocation plans in Newfoundland, and the "New Start", program which results in extremely interesting experiments. I believe that all this is worthwhile and that one must not expect from it what can be achieved through a fiscal or general policy aimed at achieving full employment in Canada.

I do not intend to repeat the speech delivered by the Minister of Finance (Mr. Benson). There are, obviously, reasons for inflation; but I shall merely comment on these. This government should not have to make a choice between inflation and unemployment. Ours is a matter of finding out whether inflation is going to create more unemployment than the anti-inflation steps that we have taken.

Now, if we had to do this over again, would we proceed in the same way? I am far from sure, Mr. Speaker. It could be that a more stringent policy would be required with regard to prices, profits and salaries. At the present time, some balance is being re-established, and, with the help of the measures we will be taking shortly, I believe that we shall succeed in creating a dynamic economy, one in which Canadians will feel happy.

However, my department should not be asked to work miracles, we are unable to do so. We have already accomplished much, and I am not including here a number of measures in the regional field for which I claim neither merit nor glory. I could mention, for instance, Devco in Nova Scotia. Also, thanks to the former Atlantic Development Board, known as ADB, sustained efforts have been made. I am sure that, without such undertakings, disparities would be even worse than they are now.

Mr. Speaker, I simply and strongly challenge the hon. member's comments to which I referred a while ago. Instead of downgrading all the efforts made jointly by the provincial, federal and often local authorities, we should appreciate these worthwhile programs. Of course, we should not expect from them more than they can normally give.

• (3:40 p.m.)

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, yesterday, the Leader of the Opposition (Mr. Stanfield) brought forward the following motion, and I quote:

That this House condemns the government for increasing the economic inequalities between different regions of Canada by its opposition to full employment policy and its refusal to use short term and long term programs in a timely and effective manner to prevent the resulting recession-level poverty and social injustice now widespread in Canada.

[Mr. Marchand.]

Mr. Speaker, taking into consideration facts as they are, one cannot but agree with the Leader of the Opposition and say he was quite justified in introducing a motion of non-confidence toward the present government.

During the new minutes available to me, Mr. Speaker, I would like to make a rapid review of the economic situation of the province of Quebec.

Surely, no one will blame me for pointing out the weaknesses in the province of Quebec. I do so, hoping to help the people in power to do away with the disparities from which stems the growing unrest in my province.

Quebec has the largest number of unemployed in Canada. From September 1965 to September 1970, Quebec accounted for between 27.5 to 28 per cent of the national labour force, while the rate of unemployment, compared with the national figure, ranged between 35.5 and 41.5 per cent. Except for the Maritime provinces, over the last ten years the rate of unemployment has always been higher in Quebec than in the other provinces.

Mr. Speaker, I am not saying that those who have more than we do, in the province of Quebec, should be penalized in order to improve our lot. I think the Maritimes also deserve special attention, since their economic situation is very unsatisfactory.

I am sorry to say that in October 1970, 8.8 per cent of the labour force in Quebec was unemployed. In fact, the percentage was higher because the statistics provided exclude workers on retraining allowances. Therefore, it is certain that there are more than 159,000 unemployed in the province of Quebec, including those who get unemployment or retraining allowances.

The Quebec labour force is increasing more rapidly than the employment opportunities. Between 1961 and 1969, the Quebec labour force increased by 25 per cent; during the same period, jobs increased only by 17 per cent.

We therefore note a gap between the number of workers and the anticipated number of jobs. Young Quebecers especially are affected by unemployment. The unemployment rate among young Quebecers from 14 to 24 years of age reaches 11 per cent. This rate is much too high when we want to keep people happy and confident in their future and we must absolutely enable them to earn a decent living.

There is a large percentage of chronic unemployment in the province of Quebec. Indeed, 28 per cent of claims from that provinces as of August 31, 1970 covered a period of at least 27 weeks. In addition, a survey of the chronic unemployed in Canada shows that Quebec has 31 per cent of claimants and that claims extend to more than 27 weeks.

A considerable number of unemployed reside also in the Montreal area and it is essential that some steps be immediately taken to check that national evil which is unemployment. It has been proved that 40 per cent of the unemployed people of Quebec who receive unemployment insurance benefits are from Montreal.

What is the situation in the business world? More than half of commercial bankruptcies in Canada have been registered in Quebec. In other words, the province of Quebec is lagging behind in both industry and labour. The government has much to do in order to cope with the situation.

In 1969, 52 per cent of Canadian bankruptcies were recorded in the province of Quebec. Several sectors of the Quebec industry have suffered from some decline during 1970, but on the other hand, in certain other industries, some encouraging signs have to be noted. It is to be hoped that the situation will keep improving so that our industries may offer more and more jobs to Canadian people who need them.

About 30 per cent of the new manufacturing plants were established in the province of Quebec between 1960 and 1969, mostly between 1960 and 1964 rather than between 1965 and 1969.

In the field of home building, the situation is far less than comforting in Canada, particularly in the province of Quebec. During 1970, home starts declined in this province as compared with the previous year. There is a shortage of housing, because when families want to put a roof over their heads, they have much difficulty in finding one.

In 1961, 17,204 homes were built in Montreal, 17,518 in Toronto. In 1969, 23,650 homes were built in Montreal and 31,874 in Toronto, which is an increase of 81.9 per cent for Toronto and only 37.5 per cent for Montreal during the same period. During the first nine months of 1970, the situation in Montreal did not improve greatly.

What do we see now as far as prices and costs are concerned, Mr. Speaker? The price that consumers have to pay in Montreal for some commodities and services is substantially higher than in the other regions of Canada. For its bonds the government of the province of Quebec has to grant a much higher interest rate than any other provincial government. Ontario grants an interest rate of 6.85 and 8.84 per cent for its bonds if they are held to maturity. Quebec rates range from 9 to 9.6 per cent for similar securities.

Let us have a look at the current situation in the field of investments. There is a disastrous disparity between Ontario and Quebec as far as job-creating investments are concerned.

Total investments scheduled in Quebec for 1970 amount to 3 billion 400 million dollars compared with 7 billion 100 million dollars in Ontario. Quebec whose population represents only four fifths of that of Ontario receives only half as much investment as Ontario does.

Despite the fact that its population represents 29 per cent of that of the whole of Canada, the province of Quebec is getting a mere 19 per cent of the total Canadian investments. Six years ago investments in Quebec amounted to approximately 75 per cent of what Ontario was getting and to somehwere around 26 per cent of the Canadian total.

During the last few years, capital investments dwindled in practically all areas except one and present forecasts are none too bright.

Personal income which is of interest to us all, has decreased in the province of Quebec.

The average hourly rate is lower in Quebec than in British Columbia, Alberta, Manitoba and Ontario but higher than in the Maritimes and Saskatchewan.

Wages paid in industries in Quebec are generally lower than those paid in other regions of the country, except the Maritimes.

Personal per capita income has been constantly lower in Quebec than in all other provinces except the Maritimes. However, some improvement is noted in the situation in Quebec.

In my opinion, this short review of economic conditions in the province of Quebec shows beyond doubt that a situation exists in this province which it is urgent to correct as soon as possible.

The Minister of Regional Economic Expansion (Mr. Marchand) described a few moments ago the work which has been done by his department during the last few months. I agree with him that his department has made a tremendous effort to try to correct the situation, but because of the steps taken by his government to fight inflation, unemployment has increased, bringing about even more poverty among the people. I am certainly one who would wish his department were more successful but I am afraid that with some of the projects suggested by the minister we will, within a few years, be facing situations not too encouraging.

Some of our cities' small and middle-sized industries would certainly deserve assistance from the minister's department in the form of loans. They do not solicit grants unnecessarily, being convinced they can be self-sufficient. If these industries could get interesting loans at latively low interest rates, they could go on offering employment to many Canadians, this to the benefit of all.

I should like also to make other suggestions. I would like again to inquire to the minister about the Saint-Hyacinthe region. I would like today, if possible, to convince him that it is his duty to declare it a designated area—

The Acting Speaker (Mr. Laniel): Order. I regret to have to interrupt the hon. member but I must point out to him that his time has expired.

• (3:50 p.m.)

Mr. Roy (Laval): Mr. Speaker, may I address a question to the hon. member for Saint-Hyacinthe (Mr. Ricard)?

Mr. Ricard: Yes.

The Acting Speaker (Mr. Laniel): Order, please. As the hon. member for Saint-Hyacinthe has run out of time,

the hon. member must first obtain the unanimous consent of the House. Does the House agree to allow the hon. member for Laval (Mr. Roy) to ask his question?

Some hon. Members: Agreed.

Mr. Roy (Laval): Mr. Speaker, I thank the hon. members for their kindness.

I wish to ask the hon. member for Saint-Hyacinthe, who has drawn for us a rather dark picture of the economy in Quebec, to give us his views on the reasons for the economic deterioration and to offer suggestions to improve the situation.

Mr. Ricard: Well, with regard to causes, Mr. Speaker, I certainly do not have enough time at my disposal to go into them thoroughly. As for suggestions, I have already made some. There are others, I am sure. The minister, like myself, would surely be interested in hearing the hon. member's own proposals, because he shares my wish to see that the situation in Quebec is improved as quickly as possible.

[*English*]

Mr. John Burton (Regina East): Mr. Speaker, the motion before the House at the present time states, in essence, that the government is not making the economic system work. There are, of course, many people who will agree with that statement. The amendment moved by my leader, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), suggests that there is a lack of defined purpose in the government's programs and that its efforts are essentially not being adequately directed to meeting the wellbeing of people across Canada. I am glad that hon. members have an opportunity, through this amendment and motion, to discuss the government's regional development policies in particular. I suggest that the government's performance in tackling regional development and poverty problems has become a national disgrace. The government has failed to even make a start in its so-called war on poverty. All of us will acknowledge quite freely that some good things have been done, but the show that the government has put on in respect of these programs has been nothing more than a sham and a farce.

• (4:00 p.m.)

There are some 4 million to 5 million Canadians living in a state of poverty today, and another 3 million or so in varying states of deprivation. I suggest that the federal government had better realize there is a different mood and attitude toward conditions of poverty and hardship today. People are not prepared to tolerate unsatisfactory conditions indefinitely because they know they do not have to be that way, and they know that many of the disparities which exist are due to various elements of exploitation in both the present and the past.

The government has faced serious problems in the province of Quebec over the past month and a half. If the government had shown as much concern with tackling basic economic and social problems in Quebec as it is now showing in tracking down elusive bands of criminal conspirators and adventurers, it would never have been faced with some of the problems now before us. I was particularly struck by some excerpts I read recently from a book written, but not yet published, by Pierre Vallieres, one of the people now held on charges in Montreal. This book entitled "White Niggers of America" describes his view of the Quebec society in which he grew up. No doubt all of us will have disagreements with some of the views expressed, but we ignore them at our peril.

I noted one excerpt in which he described the conditions in which his family lived in Ville Jacques-Cartier, a community on the south shore of the St. Lawrence across from Montreal. It reads as follows:

> The shack was made of wood covered with "papier brique", a kind of tarpaper designed to look like brick. In the centre front was a little white porch. Inside, only three rooms: in the middle a kitchen, which also served as dining room, living room, bath room, etc., to the left, a large bedroom which my parents shared with Raymond (who was not yet walking); lastly, to the right, a tiny room with a double-decker bed and a chest of drawers, this was the room of "the two oldest", Andre and me. The rooms were separated by walls of "donnaconna", a kind of hard, thick cardboard which could be bought quite cheaply from any dealer in building materials. Manufactured by Domtar in the Portneuf region (I think), "donnaconna" was easy to cut up, install and paint, and it was usually sold in panels four feet by eight. Many of the shacks that went up in Ville Jacques-Cartier in the years following our arrival were built entirely out of two-by-fours and broad panels of this economical cardboard, which was then covered with tarpaper. It was not exactly warm in the winter, but it didn't cost much, and with this miraculous material you could build a little house in two days!
>
> Our shack seemed almost luxurious compared to most of the hovels in Longueuil-Annexe, which were covered with black tarpaper and looked like sinister old shanties abandoned in a swamp. On rainy days especially, Longueuil-Annexe looked like a burnt-out shantytown. The only trouble with this shantytown was that it was inhabited, to adopt the phrase of the Quebecois poet Roland Giguere.

This excerpt struck me forcefully because it reflected the viewpoint of one who had given up hope of being able to make meaningful change or improvements in society through existing institutions. That is a bad situation. As I read this excerpt, I thought of similar conditions I have seen in the past in Saskatchewan and, indeed, other parts of Canada. Fortunately, there was a difference. In my own province people did not give up hope. That was the great accomplishment of people like M. J. Coldwell, T. C. Douglas and others who led a new political movement in Saskatchewan in the 1930's. They offered hope of meaningful change, improvement and a better life through the democratic process. People felt there was a way out of their dilemma. For some today in Canada, for whatever reason, that hope does not exist. But the government says: Look at all the money we are spending. True, there is a lot of money being spent as the minister indicated this afternoon but the question is, how is the money being spent and is it doing the job.

My leader, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), pointed out yesterday that to the end of 1969 $46,176,000 in grants was provided to United States corporations by the Department of Region-

al Economic Expansion while only $20,877,000 was made available to Canadian concerns. Surely, this policy is in serious conflict with any attempt that might be made to check the growing influence of foreign corporations in Canada.

Let me refer to another matter. Yesterday my leader drew attention to an answer given to me this week that some $95,500,000 in grants have been made available by the Department of Regional Economic Expansion which will provide 17,284 jobs. This makes only a very small dent in the unemployment situation. It might be worth noting that many of these jobs are not yet in existence. It is true the government has made a commitment to assist Canadian concerns, but the government I suggest is making many of these grants in an ad hoc fashion. They assist a variety of operators but whether the benefits envisaged will be achieved is not at all certain. I can give one example which came to my attention recently. It concerns my home town where I grew up, the town of Humboldt, which is in the consituency of the Minister of Manpower and Immigration (Mr. Lang).

Last June an announcement was made that $512,000 was to be provided for a poultry processing plant that cost some $1,200,000 and would provide about 207 jobs. I find that this company does not yet have the land on which to put up that plant. It has taken out an option but does not really, as yet, own the land that is available to it. The company is trying to raise capital. It has the $500,000 grant, or the commitment for it, and now is trying to raise the rest of the capital amounting to $800,000. I presume this would include some provision for working capital as well as the capital cost of the plant.

Apparently the company has some $370,000 or so now which it raised through a farm grain deal that ties in with other operations of the company, namely, some feed mill operations. I am subject to correction on this point, but the information I have at the moment suggests that the principals involved in this particular operation will not have to put up one penny of their own money. Certainly, that will be the case if this company is successful in raising the $800,000 in capital it is trying to raise in the district before construction of the plant can be commenced.

I don't want to suggest that I do not want to see a plant of this sort in my old home town, even though it is not in my constituency at the present time, but certainly I feel we need to look at these proposed operations with a view to seeing that they are efficient and, are developed in a manner which will be to the benefit of the communities concerned.

I suggest that the government is engaging in the worst type of "ad hocery" in its regional development programs. Where is the concern for the impact of these programs or how they meet the needs of the community? I suggest plants must meet adequate tests before they are started, regardless of the incentive. Until it has been shown that these proposed plants can meet adequate tests in respect of economic criteria and that they will be viable operations, the government should not throw away money on operators of various types, friends of the government and foreign interests. The government is not planning or providing the type of framework that is needed in this regard. I suggest that it does have to grapple with the needs of the total economy, and I suggest it has not done this to date. This, of course, is essential if regional development programs are to be successful.

In this regard, I agree with the minister that two aspects of the situation have to be co-ordinated. The government is not adequately tackling the total problems in respect of the economy. The prices and incomes approach—the Boy Scout approach—has been a failure. The government has not developed an economic policy which would help to deal with the disparities that exist in this country. It certainly has not moved toward full employment. Four hundred and nineteen thousand people are out of work at the present time; some 9 per cent to 11 per cent of the labour force may be out of work before the winter is over. Regional development programs must be planned and the planners must take a long run approach. These programs must also be geared to time considerations and to the needs that exist at present. I suggest that further attention must be given to the whole question of providing an adequate infrastructure for the communities concerned, and efforts must be made to develop it. Rural problems must be tackled. The Indian and Métis peoples' problems must be tackled. The government must avoid pitfalls and must beware of the growth of situations leading to the types of comments that have been made by some people in this country recently. The government should remember the words of some of the people who are now taking a very bitter attitude toward our country.

• (4:10 p.m.)

I suggest that the government should place high priority on regional development programs and on correcting regional inequalities. To date its programs have been a failure. It is late in the day, but the government must correct its course while there is still time.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, the motion now under consideration is one of those which makes us look back to live once more what we generally call the "good old days."

A world war ended in 1945, 25 years ago already, and our country went from full employment to a state of deplorable conditions where unemployment ranges from five to 12 per cent depending on the areas. Should we come to the conclusion that wartime is necessary to create full employment? Is it true that these would be the only possible conclusions for our narrow minds?

I should like to suggest to the Minister of Manpower and Immigration (Mr. Lang) and to the Minister of Labour (Mr. Mackasey) that they take retraining lessons from the masters of work and labour in Germany which we destroyed so completely during World War II and which today stands as a model to the whole world, as far as full employment is concerned.

Employment Programs

On November 11, 1970, the official day set aside to honour the memory of our dead soldiers of the last two world wars, *La Presse*, the Montreal newspaper, published an article on the progress of automation in Germany where there is work for everyone. This is quite enlightening and impressive.

On page 3 of section "J" of the November 11 issue of *La Presse*, one can read the following:

During these last ten years, automation and rationalization have "freed" 13 million workers in West Germany. Yet, they have not become unemployed: with a few exceptions, they did not even have to learn a new trade.

—the workers, the government and the unions nevertheless follow closely the development of the employment market, because they still remember the great world economic crisis of 1929-30 with its devastating consequences in the domestic field.

Even if the whole article is interesting to read, I will quote but the last paragraph:

There is no need therefore to be pessimistic for 1980: the number of vacancies will always be greater than that of jobs wanted.

That is simply marvelous and that is happening in capitalist Germany, under the eyes of our capitalist country. In 1970, we even get large loans from that country in order to finance our administrative deficiencies in Canada, and particularly in the province of Quebec.

If Germany can thus export capital, and at the same time maintain full employment on its own territory, why not also ask that country to export its experts in full employment, whom we could put at the head of our departments to replace inefficient ministers, who can only preach resignation in the face of our own inertness in filling the vacuum of a sick administration suffering from incurable unconcern.

Mr. Speaker, this happy situation of labour in Germany is due, and I quote:

—to the necessary qualifications, to the permanent training and to the sensible direction given to the growing generation—

The whole policy in the field of education is geared to the future by taking into account the high requirements of productivity for the next decade. This is enough, I believe, to shake us awake. These objectives are achievable since they have already been attained by men in Germany.

It is just possible, in my view, that men living in Canada achieve a similar aim. I urge that a mission of our most insignificant officials in charge of full employment be sent to Germany to undergo a conclusive retraining which would be profitable to the hard-working Canadian people who, as a whole, have always been willing to do their best under the leadership of their elite.

Let us not kid ourselves: the misgivings of a people always come as a result of the misgivings of its leaders. When a bus overturns, the fault does not lie with the passengers who bought their tickets. Let us rather look for the driver.

In Canada, we have everything we need except goodwill among our leadership.

[Mr. Godin.]

When an economic problem such as unemployment arises, why not seek first its causes? Let us stop making speeches, ordering inquiries, issuing white papers.

If we are really unable to find out who is at fault, this merely means that we are unwilling to suppress unemployment.

Unemployment, inflation, poverty, excessive taxation, these are many economic ills that cannot be said to derive from earthquakes, tidal waves, floods or acts of God. No, those ills derive from the action of our statesmen and financial leaders.

We are being governed by inefficient and blind people. "Can the blind lead the blind? Both shall fall into the ditch." This is written in the Gospel. The Bible says also: "The light of the body is the eye: therefore, when thine eye is single, thy whole body also is full of light."

If, as in Germany, management is enlightened, the whole labour force benefits from it. There is no unemployment, no inflation in that country. Probably their fiscal and financial system is adequate to the size of a productivity commensurate with their population and their natural resources.

All these things we have in abundance in Canada, but we lack adequate leadership. It must be realized, understood and stated in order to change the situation.

Let us replace the incompetent leaders, not only in the labour field, but in the areas of finance, currency, politics, industry and university training.

If our elite fails us, if our institutions are inefficient, let us proceed to the necessary changes and we will achieve our purposes.

Our whole administrative, monetary, economic and political activities overlook the real objectives and only seek profit. At the present time, this is where the trouble lies. We seek financial gain rather than satisfy the citizens' needs.

That is why in a period of unemployment, labour is sacrificed to financial profit.

That is why, even in war-time, life is sacrificed while finance reaps profits. In times of inflation, the cost of living goes up, taxes are increased, and all the citizens suffer. But finance pays off. Interest rates go up even as high as 10 and 12 per cent, but finance still makes profits.

What do we do when there is unemployment? We study its causes and show how it can be checked. But if we do not want to check it, then nothing can be done. The government could put an end to unemployment overnight, for they have the means to do so.

The Prime Minister (Mr. Trudeau) himself knows what to do, but he will not do it. He has the means to force his ministers to do away with unemployment, but he does not want to use them to that end.

It is inconceivable that unemployment should be tolerated. Fortunately, there is one remedy that can be applied at once to stimulate purchases by making more money available to consumers.

Who wrote this important sentence? None other than the present Prime Minister, on page 33 of the March 1954 issue of *Cité Libre*, under the title "Fluctuations économiques et méthodes de stabilisation", and I quote:

Competition among producers would result in price reductions. Competition among the unemployed seeking a job would bring about lower wages, which would reduce production costs. The interest rate would decline accordingly, and new investments would thus become profitable. But today, prices and wages are prevented from going down by monopolies and labour unions.

Here is what the author said on page 34 of the same issue:

The problem is still to find out whether there is any other limit to unemployment than utter destitution.

The most obvious solution would be to equalize the incomes among the various social classes, so that the poor would have more money to spend, the rich less to save.

The following is found on page 35:

The government will then be compelled to increase its expenditures (railways, roads, airports, parks). As long as such needs exist, it is inconceivable that unemployment should be tolerated.

Fortunately, there is one remedy that can be applied at once —to stimulate purchases by making more money available to consumers. The state must distribute largely and determinedly all kinds of allowances—

Mr. Speaker, I shall quote a few excerpts from the March 1954 issue of *Cité Libre*:

—to stimulate purchases by making more money available to consumers.

This is what the Prime Minister was then advocating. Today, now that he has been elected thanks to an election fund supported by high finance, he merely reverses his opinions. Consumers are not only neglected, but he even asks them their co-operation by requiring them to tighten their belt.

The Créditistes have demanded that the purchasing power be distributed well before 1954 and they are still demanding it.

We are demanding it, because we already have the products and unfortunately, there are also needy costumers.

Among those who are expecting higher benefits are veterans, widows, needy mothers, disabled persons, father and mothers who are asking for increased family allowances, the unemployed, permanent or seasonal, and all workers who are paid a salary they consider inadequate to meet their commitments. As the present Prime Minister once stated, and I quote:

The state must distribute largely and determinedly all kinds of allowances—

Then, why not pay a salary to students? How many students are now facing financial problems? Why maintain and defend the system which is causing concern to them?

Mr. Speaker, these are so many reasons why it is urgent to implement the measures advocated in 1954 by our present Prime Minister.

Employment Programs

Since American economists and sociologists have stated in a open letter to President Johnson that the first condition to avoid economical and social troubles, in the present state of production, is to ensure that each individual and each family is guaranteed a minimum income as a right, let me repeat the famous statement of the Prime Minister, and I quote:

"The state should distribute profusely and resolutely all kinds of allowances so as to stimulate consumption."

This sentence is all the more true today because, since 1954, the value of our national production has increased from only 25 billion to an expected 80 billion in 1970.

Mr. Speaker, I feel quite at ease to suggest that this type of administration be tried since, as early as 1954, the right hon. Prime Minister declared: "Fortunately, this remedy can be administered right now."

• (4:20 p.m.)

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, the appropriateness of this motion could not be any more heavily underlined than by the headline in yesterday's Toronto *Star* reading, "Unemployment Rate for Last 3 Months Worst in 25 Years." Since there was virtually no unemployment during the war, this means it is the highest it has been since the dirty 30's. The article goes on to say that there were 140,000 more Canadians looking for jobs in the last three months of this year than last year, representing the highest third-quarter unemployment rate since World War II.

Canada's economic progress faces an uncertain future. At the moment Canada's surplus export sales are at a record of $2,250,000,000 for the first ten months, up from $561 million in 1969. Purchases from the United States have continued to drop, while our sales to them have continued to increase. There is good evidence that this state of affairs may not continue, but rather be reversed. In so far as our automotive trade is concerned, it has turned out to be one of the brightest spots in our over-all trade, but not because of particularly good management but rather as a result of a fluke that a particular small car was very popular. The automotive pact is under heavy attack in the United States because there is great pressure to bring automobile production back home. President Nixon contends that because of the protection afforded Canada, undue pressure is on his government to have the pact abolished.

There is a rising protectionist movement in the United States and our ministers have been warning them about it. The Minister of Finance (Mr. Benson) has stated that growth in Canadian manufacturing is necessary to improve job opportunities. The Minister of Industry, Trade and Commerce (Mr. Pepin), in a speech delivered in the United States, has just reiterated this sentiment. To illustrate how this protectionist sentiment is rising, Phillips Electronics Industries Ltd. of Toronto recently decided to bid on supplying Chrysler Corporation of Detroit with car radios. Chrysler placed the order in Detroit, and an official of that company said strong political pressure in the United States had caused the order to be shifted

because it was felt that the auto agreement was working too much in favour of Canada. It is believed that this switch will result in 700 people being laid-off.

Then, Eaton Automotive announced on November 16, the closing of its London division early next year because the products made by the London plant are now being made in the U.S.A. This company is likely also under political pressure to maintain employment in their factories in the United States. Surely, this is a lesson for the strong nationalists who think we can live completely alone. We have the textile industry in chronic trouble as a result of low-priced imports, and the government is to amend the Export-Import Act to allow it to set mandatory import quotas. This is our own form of protection, yet we lament others raising their tariffs.

Then, there is the very probable entry of the United Kingdom into the European Common Market. It seems very probable that there will be a serious loss of markets, and especially could this be so in agricultural exports. The European Common Market is showing considerable protectionist tendencies.

Again, Mr. Speaker, the United States is suffering from a recession just as Canada is. It would seem likely that multi-national companies of both countries will be expected to expand in the United States. If the nationalism that is now so rampant in Canada against all things American continues, then those companies are most likely to consider themselves unwelcome in Canada. The Premier of Quebec has been telling Americans that they can only come to Quebec if they speak French, in effect telling them that they can only come in under severe restriction.

The Canadian economy is moving into a hard winter, largely as a result of Canadian government policies. It takes time for fiscal and monetary controls to take effect because such changes, either inflationary or deflationary, take time to work. The brakes applied a year ago are only beginning to take effect now, a year later. Similarly, the switch of the government to deficit financing, and the large expansion of the money supply, will not show up until next year. Even with these brakes applied, the price increase has still been running at 3 per cent, which is still very high. We should not forget that the Canadian economy is mainly supported by our great export industries. Without the great export boom, the nation would be in serious economic difficulties indeed. The outlook for profits in all but a few fortunately placed industries is much reduced, as is the outlook for the capital investment necessary to create new jobs and reduce unemployment.

• (4:30 p.m.)

The Prime Minister himself on the CBC program "Encounter," being interviewed by Charles Lynch on November 5, stated:

> We have been homing in on unemployment in Quebec and in the Maritimes because this is where unemployment is highest, and we've done so by pouring in literally hundreds of millions of dollars in the past few years into those areas through regional economic expansion. Other hundreds of millions of dollars more through manpower retraining programs. Just a month or two ago another hundred million dollars for housing.

[Mr. Ritchie.]

Now, Mr. Speaker, it is quite obvious that much of these hundreds of millions of dollars that have been poured into regional economic expansion in Quebec have not been as effective as they should have been. I think we all realize that much of the money spent in regional economic expansion must at best be considered a social expenditure and not recoverable in the form of economic gains. This great debate will have to come some time in the future.

I would like now to turn to what I feel is an important factor in our current economic trouble and that is the freeing of the Canadian dollar last May. For the second time since the end of the Second World War Canada removed, on May 31, the fixed rate of exchange of its dollar. In both cases, the rise took place under a Liberal government when the United States was engaged in a limited war. The response to the inflow of American capital resulting from the Korean War was the floating of the exchange rate 20 years ago.

This year the decision to abandon the fixed value appeared less urgent, particularly if proper precautions had been taken. The Canadian economy was not drawing in funds for expansion but was able to remain stable only because of a temporary surge of exports to western Europe and Japan, along with auto exports to the United States. The domestic side of the Canadian economy exhibited sagging tendencies. In the first six months of 1970, the merchandise trade surplus reached $1,246 million compared to $208 million in 1969. However, there does not appear to be much special life to exports and United States trade policy appears to be on the verge of becoming more protectionist, tending to depress exports to that country.

The huge merchandise trade balance was the result of several non-recurring factors. Demand for Canadian base metals received special stimulus after the strikes last year. Automobile exports, which alone accounted for 20 per cent of the gain in exports, benefitted from the popularity of a particular small car manufactured in Canada, but later this year several competitive models will be built in the United States, so that this can be regarded as a non-recurring event. Metal prices are declining most noticeably on the volatile London Metal Exchange, and shipments to the United States will decline because capital spending is very metal intensive, and as capital spending declines, metal shipments will also experience less buoyant markets.

Defence sharing agreements which have led to a spill-over to companies such as Canadair will no longer be a favourable trade factor for Canada; even though, in all likelihood, the war will continue, more defence production will be handled in relatively depressed United States areas like southern California. In 1968 United States defence spending in Canada amounted to $320 million, in 1969 $300 million and 1970 will probably be lower. Because of balance of payments problems in the United States, direct investment in Canada will be discouraged. It is scheduled to drop from $2.67 billion in 1970 to $2.18 billion in 1972. Oil shipments may also suffer a temporary decline.

The relative strength of the Canadian dollar depends on our merchandise trade balance and the flow of the capital account. The latter is affected by, first, short term inflows, usually as a result of a difference in interest rates, or the desire for an alternative haven by investors concerned about their own country; second, long term inflows which stem from either direct investment, non-resident purchases of securities, or borrowing outside of Canada by government or corporations. Hitherto changes in the relative values of the Canadian dollar reflected short term inflows; that is, changes in foreign holdings of Canadian currency and foreign assets of Canadian chartered banks.

This summer the short term inflow stemmed not from a relatively alluring spread of interest between Canada and the United States, but from the unusually large merchandise trade balance and the repatriation of short term funds. The funds returned to Canada after the white paper on taxation proposed that investment and capital gains in non-Canadian securities would be penalized. The applicable provisions would restrict to 10 per cent the percentage of pensions fund assets that could be held in non-Canadian investments and capital gains in non-Canadian investment would attract a 50 per cent capital gains tax compared to a 25 per cent capital gains tax on widely held Canadian investments. This is another example of the way in which the white paper on taxation materially increased the pressure on the Canadian dollar with an untoward and unexpected affect, even though no change in the law has taken place up to now.

Furthermore, the Quebec election gave some renewed confidence to lure investment back to Canada after the panic exodus earlier this year. Much too little was done to counterbalance these factors. The Minister of Finance foolishly chose to ignore these trends. Foreign exchange reserves improved by $267 million in the first quarter of 1970. In April reserves were increased by an additional $225 million. Canada, however, should be carrying higher exchange reserves on average than it did during the decade of the previous fluctuating rate. This is not the case. If strong counterbalancing efforts had been made earlier this year, short term inflows could have been checked, temporarily at least.

One reason often cited for the revaluation of the Canadian dollar is our relatively better control over inflation. The "state of the art" is such that it is doubtful that price movements can be measured with any such precision but even if Canada maintained greater price stability over the last year or two, this, even in combination with our large merchandise trade balance, did not warrant an unpegging of the dollar.

A common argument against a fixed rate of exchange is that it leads to alterations in monetary and fiscal policy for exchange reasons rather than to promote a satisfactory level of domestic income employment and growth. However, this summer concurrently with and because of the abandonment of the system of fixed exchange, the Minister of Finance announced an easier money policy. This was implied by the Bank of Canada's reduction in bank rate from 7.5 per cent to 7 per cent. The reduction in interest rates can be expected to reduce the incentive for short term funds to flow into Canada and to relieve the upward pressure in the dollar. The Minister of Finance thus was acting to have fiscal and monetary policy influence the exchange rate; proponents of a floating rate have claimed that this was like having the tail wag the dog. Interest rate differentials with the United States are now narrower than usual. If such an easy monetary policy had been adopted in March when the United States federal reserve board indicated it was moving toward easier money, the upward speculative push on the Canadian dollar in all likelihood would have been avoided. However, all winter and spring the Bank of Canada and the Department of Finance adhered to a relatively restrictive course in order to arrest inflationary pressures.

Mr. Speaker: I hesitate to interrupt the hon. member, but I must remind him that his time has expired.

• (4:40 p.m.)

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I notice that the motion before the House refers to long term programs to cure unemployment. I am glad it contains that language because some of the suggestions I wish to make relate to a long term cure for unemployment. I am also glad that the Minister of Energy, Mines and Resources (Mr. Greene) is in the House. I wish to talk briefly about atomic energy plants and the part they could play in this long term cure.

Since unemployment is not caused by one factor solely, the cure for unemployment also will not involve merely one factor. We must do a great many things if we wish to cure unemployment. I should like to talk for a few moments about some ideas I have for this long term cure.

This morning in committee I asked the President of the Treasury Board (Mr. Drury) how our money is being spent on research. The point of my question was this: I felt that we were adopting a scattered approach in our spending on research, and that we ought to concentrate. Since we do not have enough money to spend on all areas of research, we ought to concentrate on those areas that will be of greatest advantage to us. We ought to concentrate consciously on those areas of research in which we can compete with other countries effectively. We must concentrate on those resources and goods with which we can compete with other countries of the world. As I say, we cannot afford to indulge in research in all areas, so we had better specialize.

A few weeks ago I visited the atomic energy plant at Gentilly, Québec, and I must say I was surprised at what is being done there. I regret that we have not sold plants of this type abroad. It seems to me that the government has been somewhat remiss in the amount of money it has devoted to this particular type of development. We seem to be developing a type of atomic energy plant that is different from atomic energy plants elsewhere. I am not saying this is wrong. Hopefully, this may have been a wise move. It may have been the best thing to do. Yet, benefits do not come about automatically. We must be

prepared to spend more money on this particular type of plant, to the point that others will have confidence in it. I suggest that we have not done as much as we could in this area.

I am glad that we are seeing some signs of success. As we all know, the cost of a commodity goes down when it is produced in greater numbers. A commodity becomes competitive when produced in volume. I suggest to the Minister of Energy, Mines and Resources that, if we are to produce only those atomic energy plants that we need in Canada, we cannot hope to become competitive on the world market. Our plants are of a style that is different from those produced by the rest of the world, and the number of plants required in Canada is small. In this area especially, we ought to concentrate. We should make sure that we are pretty efficient in this area, and I suggest to the minister that we are not efficient. We must concentrate our research efforts in this area to enable us to become competitive with other nations.

Another area in which we ought to concentrate is that in which, for reasons of our climate or our terrain, we must develop commodities for our own country. Let me give you some examples. The skidoo, developed in Quebec, has proven very effective. We are the leaders in the world in this field. This is an example of the sort of thing I am thinking about. The skidoo was developed for our own country, for our climate and our terrain. It was designed for our winter conditions. We had better make sure that we maintain our lead, and that we produce cheap, competitive, effective machines which will compete with those produced elsewhere in the world.

Let us look at other commodities in this general category. When I was in the Arctic a short time ago I saw a tractor-truck, or a track-truck, which was made in Calgary. It is used for travelling over muskeg or swampy ground. Since then I have heard that the U.S.S.R. has ordered some of these trucks. This proves the point I am trying to make. When we develop something for ourselves which can be used by others, we make that commodity better than anybody else could, and at competitive prices. What better way is there to cure unemployment?

We should also be looking at the best way to develop clothing suitable for our cold climate. Speaking as one who has spent a great deal of time outdoors in the cold, I say that we do not as yet have adequate or effective clothing, whether it be shoes, underwear, or other clothing, to withstand our cold climate in Canada. Any such clothing is very bulky or too heavy. Often it is very expensive if it is at all adequate. I suggest that we ought to conduct a great deal more research in this area. The previous speaker and some members from Quebec told us that textile plants in Quebec have been suffering as a result of competition from other countries. Why do we not produce materials of the nature I have mentioned. We could sell those to other countries which are on the fringes of the cold climate belt. We all need this type of clothing. It is high time that we gave some thought to a project like this.

[Mr. Thomson.]

Another example of the sort of thing I have been talking about is a product that was developed in Ottawa. It is known as frost foam. Frost is something we contend with for a great part of the year. It is a cheap and effective type of substance which is easy to spread and which can be used for agriculture. Hopefully, it will be useful to other countries.

Another area which we ought to consider if we are to provide employment, and it is in the national interest that we consider this area, is that of shipbuilding. It is in our national interest to retain some shipbuilding capacity. I am not saying that we ought to build ships madly of all shapes and sizes. Obviously, we cannot compete with Japan which builds supertankers of 200,000 and 300,000 tons displacement. Yet, it seems reasonable that we could build the ships we need for our great lakes and our inland or coastal waterways. That is why I say it is in Canada's national interest to retain some shipbuilding capacity. Let us make a conscious decision as to what type of ships might reasonably be built in Canada. Let it be admitted that no one is better able to build ships of this type than we are. Perhaps we shall be able to sell a few of these ships to other countries which have a need for them. I have heard, for example, that the ships needed by the third world—if that is the correct term to use for the developing nations—are of the type we would build, coastal steamers and smaller ships. These are ships which one can unload where port facilities are not too adequate, which certainly is the case in the Arctic. We need to be able to unload ships quickly; yet we do not always have adequate port facilities there.

I think those are some of the areas we might look at in this country. There are other areas in which we have been fairly successful. I am thinking of the grain that is grown in Canada. We ought to spend more money in this area to make sure that our product stays in the forefront. No matter whether one considers corn of the kind grown in Ontario, and the climate is cooler there than in Ohio, or barley which grows in my part of the country, we must remain in the forefront with these products. We have not always done this. If we can produce these products cheaply, effectively and competitively, we will sell them. This is one of the best ways to decrease unemployment.

• (4:50 p.m.)

I wish to deal with one or two other matters. I understand that Ontario is introducing legislation which would compel those who mine in Ontario to smelt in Ontario. I understand there are some loopholes. However, we should examine it. If companies mine in Canada why should they not smelt or refine in Canada? Mining has been allowed to develop without any compulsion with regard to smelting. This cannot be changed overnight. It must be done on a long term basis and, for the sake of argument, I suggest possibly ten years. Instead of using the law to compel mining companies to smelt in Canada, this could be done by encouragement. It might be a much better approach. If this were done, more people would be employed here. This is what this resolution is really all about.

I have visited the CBC station in Ottawa, a radar base in my constituency, the Atomic Energy plant at Gentilly and, as a member of the Standing Committee on Agriculture, some food processing plants. A great deal of the industrial equipment used in all these plants is manufactured in foreign countries. I am not knocking these other countries because they are able to produce this equipment cheaply and effectively so that it is economic for us to purchase it. However, I feel that some of this equipment could be produced just as well in Canada.

The electronics industry is too small and fragmented to compete with foreign firms. Possibly the Minister of Industry, Trade and Commerce could give some leadership to rationalizing this field so that more of this equipment could be produced in Canada. I do not think it would be economically feasible to produce all of this equipment in Canada because of our limited requirements, but some of it could be produced in this country. The government should study seriously what could be done in this respect. The government should give assistance for research, capital or whatever else is required for specified areas, so that Canadian firms will be competitive. This, in part, will solve the unemployment problem.

Mr. James A. McGrath (St. John's East): Mr. Speaker, the motion before this House today is very important. It gives members an opportunity to discuss one of the most serious problems facing this country today, unemployment, and the consequences of the government's fiscal and anti-inflationary policies with special regard to the regionally disadvantaged areas of the country. Attendance in the House does not indicate the importance of the measure before us. The tens of thousands of Canadians who are unemployed and have no voice will draw precious little consolation from the attendance to-day, especially by the members of the government and those charged with the responsibility.

Mr. Greene: Or the quality of the debate.

Mr. McGrath: I hope the minister who has interjected will favour us with a contribution to this debate. Perhaps he can enlighten us a little more than some members as to what the government have been able to do. The Minister of Regional Economic Expansion (Mr. Marchand) participated in the debate today. Although he talked a great deal, he said nothing. The great expectations of the minister and the new department, when the legislation was enacted by Parliament creating the department, have not been fulfilled. The minister made no reference to his responsibilities with respect to co-ordinating government programs to cope with regional disparity and the resulting consequential unemployment. He made no reference to the difficulties, indeed the impossibility, of carrying out effective programs to deal with regional disparity when the fiscal and monetary policies of the government do not take into account the regional facts of life in this country. Those provinces which contribute least to inflation, the Atlantic provinces, Quebec and some western provinces, are the ones which have to pay the cost of the governments' anti-inflationary policy.

Some hon. Members: Hear, hear.

Mr. McGrath: We expected the minister to make some reference to that in his speech. He is responsible to Parliament and the country for coping with these very serious problems. However, he said nothing about that. When we have occasion to raise the problems of unemployment and lack of government action in dealing with unemployment and regional disparity, the members of the government always conveniently refer to the Department of Regional Economic Expansion and the regional economic programs which are supposed to be the be-all and end-all.

We must examine these programs for their effectiveness in coping with unemployment and regional disparity. We must examine them in the context of growing unemployment. Today's unemployment is the most serious for this period since the depression of the 1930's. This is evidenced by the latest Dominion Bureau of Statistics' figures. We must look at the programs under the jurisdiction of the Minister of Regional Economic Expansion, we must look at them in that context.

The main thrust of the government's regional development policy is the Regional Development Incentives Act. Yesterday I directed a question to the Minister of Regional Economic Expansion. It was prompted by the tabling of figures under the Regional Development Incentives Act for the period ending October, 1970 which showed great disparities in the allocation of funds and the estimation of jobs created. For example, the province of Newfoundland received $826,000, whereas the province of Quebec received almost $40 million, almost half the total funds. By skating around the question the minister, in effect, refused to answer it. He indicated he would be participating in the debate and that he would have something to say about it at that time. We sat and listened to the minister, Mr. Speaker, but he did not say anything in this regard. We are as wise as ever.

• (5:00 p.m.)

The provision of these grants does not take into account the fact that there are five regions in this country; most important, they fail to take note of the fact that under the Regional Development Incentives Act the initiatives are in the hands of industry, not the hands of government. In my opinion this is the major weakness of this program. This illustrates the reason for the wide ranging disparities in the allocation of funds under the program. Companies obviously establish in more attractive areas where they can attain the same incentives as those provided for locating in some of the more remote parts of the country. Instead of locating in Newfoundland, or northern Saskatchewan, or northern Ontario they would obviously choose the more populous areas in Quebec around Montreal and Quebec City, or they would choose southern Ontario. This is surely the major weak-

ness in the program. This is why the program should be changed and its administration and concept decentralized.

Then, there is the complementary program covering the so-called designated growth areas, the program designed to enable the federal government to move into areas of provincial jurisdiction to build up the so-called infrastructure which is supposed to attract industry. Take my own city as an example. It is one of the special areas, one of the growth areas. Under this program the federal government has announced its intention to build two high schools; it has announced it will build a new access route from the Trans-Canada Highway to the harbour in St. John's; it has announced it will provide water and sewage facilities. That is good. That is tremendous, because the city of St. John's and the various school boards could not afford to provide these schools and other amenities. The municipality is already taxed to the limit. But it is my contention that not one new job will be created. I say this because we already have, in this city, the infrastructure needed to support industry. It has been there for a hundred years, but it has not been enough to encourage industry to establish there. Why? Simply because of our geographical position in relation to the major markets of this hemisphere; because of our insularity and the consequent problems of transportation costs. All the clichés used by the minister or by any of his officials in trying to sell this program will not alter the facts which I have stated. The result is we have a program in which the government ignores these facts.

The government is unable to use the Regional Development Incentives Act in the way it was designed. It is unable to use the act as a tool to stabilize the economy and increase employment. The great weakness of the program, in my view, is that the government has lost control of it. The government finds itself unable to determine what type of industry shall locate in any particular area of the country as a consequence of its planning and investigations. This initiative is entirely in the hands of the industries concerned. If it is to be effective, this program, like the government's monetary and fiscal policies intended to combat inflation, must be decentralized. It must take into account the facts of life in this country, and these include the fact that Canada is not one homogenous unit but five different regions comprising five different economies. It is because of the government's failure to take this into account that its programs are not working, and unemployment is increasing.

It is all very well to talk about the necessity of building up infrastructures under a program which enables the government to enter areas of provincial jurisdiction, but the cold fact of the matter is that the program is a flop, the program is a total failure, and the minister's unwillingness to deal with this aspect today is proof positive of my statement, if proof were needed. I think it is fair to say that the minister's program, and government policy, have become bogged down in a quagmire of "adhocery"—a maze of ad hoc programs and ad hoc decisions. Much of the difficulty has been caused by the failure of the bureaucrats and the technocrats in the minister's department to take into account the experience and knowledge of municipal authorities and provincial governments. There has been scarcely any consultation in connection with the planning, conception and implementing of these programs. These people go across the country and look down their bureaucratic noses at the provincial and municipal authorities as being somewhat inferior; this is certainly the case in the province from which I come.

Ask any member of this House who comes from Prince Edward Island or any other area of Canada where the department is heavily involved, and he will quickly say the same thing. The department parachutes into these areas technocrats and so-called experts for the sole purpose of carrying out the wishes of the minister's deputy minister, because nobody else knows anything about this program. It is obvious the minister knows very little about what is going on. The whole show is being run by one man only. He sends out teams of experts and they fan out all across the country—"You get in there; those local yokels don't know anything." This results in all kinds of difficulty due to lack of understanding or appreciation of local conditions. The Province of Newfoundland is a classic example. They have practically taken over the department of community and social development. We even had the chairman of the Regional Development Committee down there working during the summer—I do not know what his particular expertise consists of, but he was there; he was joined by the technocrats who are still down there. They even provided a deputy minister. Nobody on the island has any say in the implementation of the program.

The Acting Speaker (Mr. Laniel): I regret to advise the hon. member that his time has expired.

[*Translation*]

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): Mr. Speaker, it is all so very clear that what has been said by the hon. member who spoke before me is nothing less than a political speech, reeking of partisanship, in the true stereotyped fashion, and seeking merely to destroy the confidence that the people of Canada have in the government's efforts to erase any regional disparity still prevailing in Canada. However, it is generally acknowledged that these efforts already have had some effects and there is no question but that given a good amount of doggedness, the scourge of unemployment may be overcome one of these days.

On the other hand, one must realize that the federal government is not the only level of administration that is responsible for setting up new industries or creating new jobs. I believe the federal, provincial and municipal governments all have to share this responsibility. The full responsibility for this situation should not be left to one government in particular.

This will perhaps lead me to make a speech which might be described as political and partisan but I shall make it all the same.

During the sixties, especially since 1963, the government of New Brunswick took its responsibilities in this field by co-operating with the federal government. One may wonder what happened in New Brunswick during these years. Several hon. members may not be interested in what goes on in the small province of New Brunswick. But for me, it is very important and it shows the degree of quality of our administration. We made more progress during this decade than during any other period in our history since Confederation.

A recent statistical survey of the area by the Economic Council of the Atlantic provinces shows that, in the last few years, the economy has been healthy and that, in some sectors, expansion has reached a new high.

One of those sections is that of metal mining. In 1960 there was no activity whatever in mining in New Brunswick. Since then, the Heath Steele Company which had begun operating in our area in the 1950's closed its doors.

An $11 million program has since converted this mine and the concentrator it feeds into a vital element for the economy of the Northumberland constituency, in Eastern New Brunswick. Daily production is 3,000 tons and there are 270 workers. Such accomplishment is due to federal-provincial co-operation.

On the other hand the Brunswick Mining and Smelting Company operates two mines and two concentrators thanks to a $60 million investment. It produces 8,000 tons a day and has 1,025 employees.

The Nigadoo River Company mine and concentrator are now in operation. This represents an investment of $10 million. The daily output is 1,000 tons of ore and the mine provides work for 315 people.

At the present time the Anaconda American Brass is building a copper concentrator of a 1,000-ton daily capacity which should have been in operation in September this year. It means a capital investment of $6 million providing jobs for 110 workers at the present time.

I could continue, Mr. Speaker, quoting figures to show all the improvement in the New Brunswick mining sector which is due, if I may say so again, to the co-operation between provincial and federal governments that has existed particularly since 1963 and has gained momentum in the last few years.

I could talk about expansion in the forest industry which employs a great many people; this would have been impossible without the efficient part taken by the federal government. The same applies to hydro-electric power. In this respect, the hydro-electric plant at Mactaquac is an example that speaks for itself.

Now, members opposite are blaming the federal government for the situation prevailing at this time. As for me, I believe the official opposition should perhaps examine its own conscience and go back a little to find what it failed to do while in power, in order to avoid the situations that we now know.

If I may be partisan and deal again with the province of New Brunswick, I will refer particularly to the field of education in which, during the 50's, when practically nothing was done, the only effort of the provincial government was to maintain education at such a level that only about 25 per cent of the young people who attended school were able to get a degree.

Today, of course, the situation is quite different. In vocational training only, the federal government has made an enormous contribution. Before 1960, there was not a single vocational school in New Brunswick. This was really scandalous and I am somewhat ashamed to say it. But since 1960, we have had something to be proud of. In 1961, the New Brunswick Technical Institute was opened in Moncton. Building costs reached $1.9 million. The required equipment for the Institute has cost $1,500,000 up until now and a new $2.4 million wing was added last year, which makes a total investment of $5,800,000 about 75 per cent of which has been paid by the federal government.

The St. John Technical Institute, in New Brunswick, was opened in 1963. To date, building and additions cost $2,100,000. The cost of initial and additional equipment was $1,300,000, bringing the investment in the future of the youth of New Brunswick to a total of some $3,400,000.

The Bathurst Trade School did not exist in 1960. It was inaugurated in 1963. Its cost was $1,400,000 and the school is now undergoing expansion evaluated at $1,300,000, bringing the total investment for vocational training, with the assistance of the federal government, to $2,700,000.

The Edmundston Trade School, in my riding, was inaugurated in 1965 and represents an investment of some $1,700,000, in vocational training.

Another trade school in my riding is the school of Grand-Sault which has just been built, and this means an investment of more than half a million dollars.

Mr. Speaker, a new government has been elected in New Brunswick a few weeks ago. I really do not know if they will give the province a better administration than the previous government. Time will tell.

I do know, however, that during the sixties, considerable growth has been recorded in the field of industrial development in that province, under the leadership of the hon. Louis J. Robichaud. Remarkable and willing co-operation has been extended by the federal government, and I sincerely hope that this co-operation will carry over into this decade. I do hope so and in my opinion, all the citizens of New Brunswick expect it. The provincial government should now show its mettle, it should come out of its shell and vigorously carry on the aggressive policy set forth and implemented by the previous government.

I am sure that the federal government will not be found wanting, because of its strong present policy.

Employment Programs

• (5:20 p.m.)

[*English*]

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, being a man of charity I do not begrudge the hon. member for Madawaska-Victoria (Mr. Corbin) his opportunity to write the epilogue to a very important period—

An hon. Member: Epitaph.

Mr. Fairweather: Epilogue I said, history will deal with the epitaph. I do not begrudge the hon. member this opportunity to write the epilogue to a very obvious and important part of New Brunswick political history. I think perhaps the hon. member might have read more fully the fourth annual review of the atlantic economy which shows that despite growth there was little evidence of change in the basic structure of the region's economy. Much of the growth that did occur occurred on the existing base, a base not capable of generating the advance needed in the latter third of the twentieth century.

The migration, particularly from our own province of New Brunswick and the hon. member must see this with as much agony as I do, remains the highest in the region. The statistics reveal that between 1956 and 1969, 209,000 was the net out migration from this area, and it is the type of migration that no province can stand if it expects to meet the challenges of this part of the century in the years to come.

Also in "The Atlantic Economy" fourth annual review it is stated:

> —the region continues to experience a slower rate of population growth than the nation, that too much reliance is being placed on primary and primary-processing types of industries and that the region continues to experience low participation rates, high rates of unemployment, structural unemployment and underemployment in numerous sectors of the economy.

I have no wish to enter, as I say, a "who was right and who was wrong" argument. This is the type of argument that does not impress the voters but it is the type of argument that I think tragically has been used far too often in provincial elections in the province from which I come. Rather I should like to take a look at what I think is going to be the political framework of the '70's in the Atlantic region and make a couple of suggestions to the minister. I admit to him that some of them are copied rather directly out of one of the most interesting reviews, "Rural Canada 1970: Prospects and Problems", I have seen. It is the third report and review. It suggests that, like the rest of Canada, we will be faced with the phenomenon of nationalism and the increasing problem of reluctance on behalf of the people in central Canada to accept the implications of foreign-owned corporations. We would need a day or two to go into this, and the government has had six or eight months, or almost a year to consider the implications of such a thing. I am only headlining them.

We will of course be part of the total environmental phenomenon, the phenomenon that people now are willing to make choices they were never willing to make before; choices between industry that would have a devastating effect of polluting water, land and air, or not having those industries at all. Up to now, we have opted for the industries. From now on I think there will be a considerable change in plans.

I suggest, thirdly, that our region will be seeking in a much more vigorous way an entry fully into what I term the total heritage that is ours in Canada. Labour parity will be a proper objective of unions in Atlantic Canada. I suggest, too, there will be a recognition and willingness to share a very precious and unique way of life in our part of Canada. The 35 million people who live within 1000 miles of central Atlantic Canada will want, because of the horrors of their cities, the effects of pollution, violence and other trappings of technological change, a respite that we can offer in national provincial parks. We can also offer site locations for factories that really do not need to be part of the huge, urbanized hell that is so much a part of many of the great cities of this continent.

I suggest, too, that there will be a backing into a form of Maritime union, not really a political union, but rather like Europe in the never, never, days. I think politicians, after all, are a cheap commodity in the sense of what it costs the country to maintain us. I think there is a competition for experts that does damage to the on-going initiatives in Atlantic Canada, in the rationalization of services and in the rationalization of professional and public employees in many of the fields that really have no reason to compete, which will all be useful.

I think, too, there will be—an ugly phrase perhaps but one that is understood in the context of this debate—an achievement orientation that has been lacking up to now. There will be much more effort and more sophisticated and civilized labour-management arrangements. It will no longer be the case, I hope, that great projects, particularly in Atlantic Canada, will be held up because of resistance to reasonable initiatives by trade unions and so on. I am troubled to state that during the construction of the General Electric Company heavy water plant in Nova Scotia there were 41 wildcat type work stoppages. I think that both sides have a very serious amount of soul searching to do so that this type of interference will not continue.

The next suggestion I have is that the Department of Regional Economic Expansion should become increasingly, and this should be easy, flexible in the initiatives it takes. There should be much more public involvement in planning. Part of the hangup in northeastern New Brunswick has been that the public has not had very much idea what the over-all plans of the government are in this regard. There will be much more help in respect of the problems of the rural poor who are, in fact, by far the worst off people now in the country with the terrible exception of our indigenous people, the Indians, Eskimos and Métis. There will be more infrastructure help to small towns and villages on the periphery of our cities. The trend toward rationalization will continue; a trend I

do not expect to hold up my hand like Canute and be able to resist.

For many of us, living in surrounding areas will be a very much more pleasant way to live and I hope the Department of Regional Economic Expansion will keep this in mind in their infrastructure program. This also applies to decisions in respect of some of our national parks. I hope the minister will be glad to hear me on this subject a little later when I discuss the water and sewage needs in a community in the constituency of Fundy-Royal. However, that is not incidental to the people there but it is incidental to this speech.

• (5:30 p.m.)

I think it would be useful to list some of the initiatives or guidelines which I think might be helpful to the Department of Regional Economic Expansion in their drive to even out the situation in this country. I should like to quote from "Rural Canada 1970: Prospects and Problems", the third report and review, as follows:

(a) The goals and objectives of the department should, so far as is practicable, be objectively defined and made public.

I mentioned that earlier. It is part of the over-all program.

(b) The economic assumptions taken into account by the department in planning should be also made a matter of public record.

This is a great weakness in the department now. They sit on giant piles of confidential reports that have nothing to do with the security of the state, and I suggest that the security of the state should be the only reason any government paper should be confidential.

(c) An evaluation component should be built into all departmental programs and projects and responsibility for the evaluation function be assigned to objective outside agencies. Again, evaluated reports should be a matter of public record.

(d) Participation by members of the public should be built into all departmental operations at police, program and project levels.

(e) There should be functional co-ordination of planning operations at all levels, municipal, regional, provincial and national.

I think these guidelines are extremely useful. Lastly, in my list of prognostications I suggest that we are in for a period of less emphasis on constitutional change because of other serious problems facing the country. I do not particularly like this but I say it is a fact of our political life. I earnestly hope that the government of Canada will use to the limit what we have in the form of a Constitution, because I happen to be one who believes that the Constitution is sufficiently flexible to allow many more initiatives in the whole field of urban transportation, housing, and so on. I think there are few blocks to action in the BNA Act, and I hope that that document can be used to the full.

I would like to conclude by setting before the minister a couple of problems. The first one happens to be unique to Fundy-Royal but their over-all implications frankly frighten me, and if anyone who takes part in the debate after I sit down can suggest a solution to them, I will go away comforted. In the Minto-Chipman coal mining area there has been a rationalization of coal mining. I think no one objects to that because it was essential.

Employment in mines there is down from a maximum of about 1,200 men to about 100. There is a handsome industrial park funded by national and provincial funds. I went to that park. I was unable to go to the opening because under the quaint system operating under the former government, no invitation could be sent to a Member of Parliament who happened to represent a political party other than that of the government. However, I shall survive. That type of childishness is recounted for the record and nothing more, because I prefer to go to these things not in the glare of publicity but, rather, to see exactly what is going on.

I did go there last week. I found three rather interesting, small industries employing at that time a total of 70 people. They are highly automated. Two of the industries have serious problems and I do not want to name them because it might harm their sales. They are so automated that most of the miners who have been phased out are down the road in the industrial park at manpower retraining schools earning $80 a week but without a prospect in the world of obtaining work in the immediate vicinity. It is degrading for them and it is saddening for me. If anyone wants to tell me what the future is for that type of situation, I will be happy to hear it.

Lastly, in the context of the crisis that is facing our country I hope that those of us who live in what is commonly known as the dichotomy of Canada, because I am afraid there is one, in English Canada will understand in the days ahead what must be done. I am not speaking about the police or the War Measures Act but about the techniques, the cash and the good will that will be needed on behalf of the federal government to ameliorate some of the grave social, I was going to say disparities but it is such an overworked cliché now that I do not wish to use it, and anyway it is too close to despair. I believe there will be an obligation upon those of us representing areas with, in my case, perhaps 1 per cent or 2 per cent French-speaking people to really batten down for what I feel may be a very serious polarization of opinion.

What I am trying to say in a rather clumsy way is that I think we recognize that a substantial amount of cash will be needed for Quebec. I hope that those of us in the rest of Canada, even those from the Atlantic provinces with a very low economic base and serious problems, will understand with all the good will at our command what must be done so that the social reasons behind the tragedies can be at least met in the immediate future. Perhaps that is a good point at which to finish, Mr. Speaker.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, most of the speakers in the debate yesterday and today have been dealing, quite understandably, with the problems of unemployment, poverty and regional disparity. I intend today in the few minutes at my disposal to deal with another subject which I submit is related. The pro-

jected costs of what we are doing are so tremendous that unless we think about our programs and our objectives, and unless we begin to set national goals we will create problems for this country the result of which will be that unemployment, meeting health needs and housing needs, to mention just a few of the basic needs of the people of this country, will become insoluble.

• (5:40 p.m.)

I want to discuss the failure of the federal government in "its policy—to take the words of the amendment to the motion put forth yesterday by the leader of our party—of opting out of its responsibility to be involved in the maintenance of national standards in health, welfare and education." It has become fashionable since the arrival in Ottawa of the Prime Minister (Mr. Trudeau) increasingly to hear the view that education is a provincial responsibility under the provisions of the BNA Act, and therefore that Ottawa ought not to be and cannot be too involved in educational problems. Mr. Speaker, whether we like it or not, we are involved and we always have been involved.

Ottawa by which I mean the federal government, is involved in the education of Indians. Ottawa is involved 100 per cent in the manpower training programs. Ottawa is involved in provincial educational programs at the elementary and secondary school levels. Every time the Minister of Regional Economic Expansion (Mr. Marchand) signs an ARDA or FRED agreement with one of the provinces, with the exception of Quebec, a major component is the reorganization, upgrading and redevelopment of the educational system of that province. Ottawa is certainly involved in the financing of university education both at the undergraduate and graduate level.

Mr. Speaker, some of our top civil servants at the federal and provincial levels have been giving thought to what has happened in education and what is likely to happen within the next ten to 15 years. They have been pointing to the dangers. Unfortunately, so far as I can tell there has been no response by anybody in the federal government to their analyses, by either the Prime Minister, the Secretary of State (Mr. Pelletier), who has some responsibility for educational and cultural matters, the Minister of Manpower and Immigration (Mr. Lang), or the Minister of Regional Economic Expansion.

I commend to hon. members a speech delivered by the director of the education division of the Dominion Bureau of Statistics, Dr. Wisenthal, to the conference held at Banff in October by the Alberta Human Resources Research Commission. He points out what we all know, that there has been a tremendous increase in the number of young people attending post-secondary educational institutions, universities, community colleges, technical and vocational schools. This increase is understandable. We were remiss in these kinds of programs until the last few years and have been trying to catch up. Dr. Wisenthal documents the growth in enrolment. He points out that if one takes 1961 as the base year and puts the index figure of those attending university at 100 in that year, by 1969 the figure had risen to 250.9, an increase of more than 2½ times. He projects what will happen by 1980 if we continue in the way in which we have been going. His figure for 1980 is 581.8, an increase of almost 600 per cent.

Dr. Wisenthal goes on to analyse the enrolment figures. He points out that if you take the undergraduate university enrolment in 1961 as 121.5, by 1969 it had grown to 268.2, substantially more than double. He projects this on to 1980 and comes up with the figure of 638.4, an increase of almost sixfold from 1961 to 1980. At the graduate level, and I am not too critical of this because our graduate students have traditionally gone first to Great Britain and in more recent years to the United States, he points out that where there were 7.3 thousand students doing graduate work in 1961, this figure had grown by 1969 to 30.2 thousand, and by 1980 he estimates it will grow to 111.6 thousand. That is a tremendous increase.

Dr. Wisenthal has also calculated the costs and his figures are startling. If you take university costs in 1961 and give them an arbitrary figure of $100, by 1969 this had increased to $507.7, an increase of more than 500 per cent. By 1980 this will increase to $3,181.5, more than 31 times as much as we were spending in 1961. I am one of those who over the years have called for better things in the way of education. According to the statistics given by Dr. Wisenthal it appears that we may be facing an actual expenditure of $8.3 billion on all forms of post-secondary education in 1980. I do not know if this country can find that amount of money, but it seems to me this projection raises a number of very important questions about which the federal government has not even begun to think.

If we find this money, must it be at the expense of sacrificing other programs which are equally or even more important? We know about the housing needs of people in the low-income bracket. We know about the housing needs of people in the middle-income bracket in cities such as Toronto and Vancouver. These people are not able to finance adequate housing for themselves. If we have to find the kind of money which Dr. Wisenthal talks about, we may not be able to fulfil the desire of the Canadian people for proper kinds of social security systems, for adequate pensions, for an extension of health services to include such things as dental care and mental health, and for a guaranteed income. With respect to the latter, it appears to be part of the programs of all political parties, although we may differ about the details and we certainly differ about the timing for the implementation of such a program.

All this has happened at a time when easy assumptions were made by people in the educational field and by political leaders of all parties, that an education pretty well guaranteed an interesting job at good pay. That was the case until recently, Mr. Speaker, but obviously it is not the case any more. I am sure there is not a member of Parliament who has not been faced in his own city by young people coming to him and saying they have a B.A., an M.A. or even, according to yesterday's *Globe and Mail*, a Ph.D. and yet they cannot find employment. A study conducted by Dr. Frank Kelly, science adviser to

the Science Council of Canada, shows that fewer than half the people in Canada who will be granted Ph.D. degrees in engineering and science this year will find jobs next spring. I could give details of a study carried out by the Graduate Students Association of the University of Toronto. The study shows that not only will this happen this coming spring but in fact it happened last summer when half the Ph.D. graduates of the University of Toronto did not get a job and so went on to further post-doctoral studies.

• (5:50 p.m.)

We are facing an extremely difficult situation, Mr. Speaker. I have raised some of the questions asked by Dr. Wisenthal. I take no credit for the Ontario government, which is not formed by the party to which I belong but is a Conservative government; however, it appointed a commission on post-secondary education in Ontario headed by Dr. Wright. This commission has made a preliminary report. Whilst they have not any more answers than I have, they have asked a number of very important questions which they intend to look into.

They asked why higher education must be carried out in institutions called universities and colleges. They asked why it would not be possible to have, in place of segregated and fragmented institutions, a plethora of educational services available to all, at any age. They asked why universities have to be conducted in such a way as to have summer holidays lasting several months. They asked why it is necessary for young people to go directly from high school to college, which means that a student has almost 20 years of continuous education. They asked whether in fact young people coming from poor or low-income families have been or are able to go to university in any substantial numbers; whether in fact we are subsidizing the children of middle and upper-income families, those best able to look after their own needs.

These are questions of importance in respect of all the educational programs of the federal government for the next couple of generations. I hope the federal government will stop simply paying what it has accepted as its share of the cost of higher education and will begin to involve itself seriously with the provinces in a co-operative study of the problems of higher education, where we are going and what we ought to do in the next couple of generations.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I have a few remarks to make on this question and related economic conditions in the country, but in view of the fact that it is almost six o'clock I wonder if you would be inclined to call it six o'clock?

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

At six o'clock the House took recess.

Privilege

AFTER RECESS

The House resumed at 8 p.m.

ROUTINE PROCEEDINGS

PRIVILEGE

MR. KNOWLES (WINNIPEG NORTH CENTRE)—OPENING OF PARLIAMENTARY RESTAURANT ON SATURDAY, NOVEMBER 21—REMUNERATION OF STAFF

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege, notice of which I gave to Your Honour more than an hour ago, as required under the provisions of Standing Order 17(2). It was brought to our attention a day or two ago that on Saturday of this week the parliamentary dining room will be open for the lunch and dinner periods. May I make it completely clear that I have no objection whatsoever to this being done. We all know the reason for this. It is to enable government members to entertain in the dining room their guests who will be here for the Liberal convention. As I say, I have no objection to that whatsoever; I think it is a legitimate arrangement.

However, it has come to our attention, from members of the staff of the parliamentary restaurant, that they have been asked to work on Saturday for this occasion but that instead of being paid for that day they will be given another day off later on.

An hon. Member: Shame!

Mr. Knowles (Winnipeg North Centre): I find that there is a fair amount of feeling about this among those who are affected, and it seems to me that it is inconsistent with the provisions of the Canada Labour (Standards) Code. I hope that if the information that has been given to us by the employees concerned is correct, the matter can and will be corrected.

Normally when one raises a question of privilege, one moves the reference of the matter to some committee. That is not necessary in this case. I hope that His Honour, the Speaker, either by himself or with the commissioners of internal economy will take care of the matter. If it were not for the fact that we are not sitting tomorrow, I would have pursued the matter in other ways and perhaps raised it during the question period tomorrow morning. Since Saturday intervenes between now and the time when the House will meet again, I have raised it in this way. I am sure that all hon. members of the House would want Parliament to do the fair thing by our employees in the parliamentary restaurant.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. As the hon. member has indicated, he gave the Chair notice of the question of privilege. The Chair will, as the hon. member has suggested, discuss the details of the question of privilege with Mr. Speaker. I undertake to the hon. member and to all hon. members of the House that I will do that.

Employment Programs

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—NON-CONFIDENCE MOTION—ALLEGED LACK OF POLICIES AND PROGRAMS TO PREVENT UNEMPLOYMENT, POVERTY AND SOCIAL INJUSTICE

The House resumed consideration of the motion of Mr. Stanfield:

That this House condemns the government for increasing the economic inequalities between different regions of Canada by its opposition to full employment policy and its refusal to use short-term and long-term programs in a timely and effective manner to prevent the resulting recession-level poverty and social injustice now widespread in Canada.

And the amendment thereto of Mr. Douglas (Nanaimo-Cowichan-The Islands).

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, generally speaking, unemployment and regional disparities can be discussed together because one is often dependent upon the other; they are two interdependent factors. In 1968 the Prime Minister (Mr. Trudeau) and his party won the election. They won it partly on the promise, I think, that they would be instrumental in removing regional disparities within the country. Generally speaking, when somebody says he wants to do something about regional disparities, I take this to mean that he is going to make efforts to improve the condition of poverty-stricken areas, that is to say, to improve their economic status. At the same time I take this to mean the provision of more employment in those areas and that disparities will be wiped out because we should make economic conditions across this country uniform.

Unfortunately, the opposite has occurred. I think the government attempted to live up to its promise to remove regional disparities, but it is not doing it in the way I have described. What is happening is that areas of prosperity and high employment are being dragged down to the level of those areas where there is great poverty and high unemployment. This is paradoxical. The government has adopted the wrong approach in dealing with unemployment and regional disparities. It is important for us to recognize that if we are to reverse the trend that the government has begun, the government must follow a national economic policy based upon certain economic realities. It must do that if it is to achieve the desirable economic goals which the Economic Council of Canada has set, namely, full employment.

We consider that an unemployment rate of 3.8 per cent of the work force constitutes full employment, a high rate of growth, by which we mean an increase of approximately 4.75 per cent per year in the gross national product, and reasonable price stability, by which we mean that prices shall not increase by more than 2 per cent per year. Also, we must be in a viable balance of payments position in which the foreign exchange rate of our money is not subject to undue fluctuation. Finally, we must see to it that there is an equitable distribution of our rising incomes.

[Mr. Deputy Speaker.]

Unemployment affects different regions of the country differently. However, as obvious as this might appear, the government's policy has not been affected by this reality. Part of the difficulty, it appears, is that the government is obsessed with controlling inflation. Because of this position it has virtually ignored the very important side effects of its war on inflation. One of those consequences is the reduced capability of the economy. The economy has already fallen substantially below its potential. The second side effect is the high unemployment rate that we have in the country today.

Let us look at the unemployment figures for the various provinces. We see that the situation is extremely unhealthy at this time. In British Columbia, for example, projections are that unemployment this winter will be in the area of 13 per cent. In the Prairie region, which traditionally enjoys the lowest level of unemployment of any region of the country, projections point to an unemployment rate of 8 per cent, which is more than double the rate normally experienced in that region in the winter. In addition, there is reason to believe that there is a considerable amount of hidden unemployment in the Prairies because the labour force figures omit farmers who have been made idle because of the slowdown in farm production. The projection for Quebec is that more than 12 per cent of the work force will be unemployed this winter. For the Atlantic region, which traditionally suffers from the highest unemployment rate, the projections show an unemployment rate this winter as high as 14 per cent.

• (8:10 p.m.)

The structural reasons for unemployment, such as remoteness from markets, aging population and reduced educational capabilities of the work force, have been seriously aggravated by the government's anti-inflation policy. It does no good for the government to saddle this region with the high costs of its anti-inflation campaign and then unsuccessfully try to offset these costs with an inadequate regional incentives policy. In order to properly tackle the questions of regional disparity and unemployment, a regional approach to this problem is needed. The fiscal and monetary policies of the government must be sensitive to the differences in the economic and social potential of Canada's regions. It is absurd to expect the Prairie and Atlantic provinces to pay the price of the government's fight against inflation when these regions are suffering the worst unemployment in years.

A regionalized approach toward inflation and unemployment would match the cure with the illness. The Atlantic, Prairie and British Columbia regions depend very heavily on international trade, particularly with respect to primary products. In June the government decided to float the value of the Canadian dollar. This action had very severe effects on regions involved in international sales of primary products. The government has contemplated no positive measures to alleviate the burden caused by this move. In addition, the existing tariff policy of Canada does little to help those regions which depend upon foreign trade in primary products.

Unemployment is high. This is one of the effects of the government's war on inflation. When we examine the situation we find it is a little paradoxical that the government is probably the greatest contributor to inflation. This can be illustrated by the fact that the government's spending and taxation policies will be the main inflationary causes for at least another couple of years. Direct taxes contribute greatly to rising costs and prices. However, that is only part of the story. Increased government spending was achieved by bidding away resources and people from private industry. The result has been to increase incomes and prices and to make these resources scarce in the private economy.

This inflationary pressure will probably continue, because even at this time government spending is greatly increasing. Business cannot continue much longer to absorb increased costs and defer price increases. Business profits are 14 per cent lower than they were a year ago. In manufactured goods, profits are down 27 per cent. Capital investment, and ultimately long-term productivity, appear to be in jeopardy. As I mentioned previously, the Prairie region is in difficulty.

A few days ago I was alarmed to see a report from the Department of Agriculture indicating that in 1969, Canada for the first time in history became a net importer of agricultural products. This development becomes even more startling when one compares the 1969 agricultural trade deficit of $35 million with a net agricultural export surplus balance of $826 million, which was achieved in 1966. Over the years we have traditionally had a favourable balance of trade in agricultural products, ranging from $200 million to the high of $826 million.

The reason for the current unfavourable balance is two-fold. First, a recognizable decline of exports has been recorded since the high registered in the mid-1960s, 95 per cent of which is attributed to wheat. Second, importation of agricultural products has risen by roughly 80 per cent since the mid-1950s while at the same time exports have increased by less than 30 per cent for the corresponding period. While the majority of the decrease in our exports was the result of our dismal sales performance in wheat, other grain sales were disastrously affected. As a matter of fact, exports of coarse grains, barley, oats and rye reached the lowest level in more than ten years, registering an export figure of $37 million compared with an average of $96 million recorded in the period 1955-59. I ask hon. members to recall which party was in power at that time.

Turning to the meat industry, we note another startling revelation. The year 1969 produced an unfavourable balance in the meat trade, recording imports of $121 million against exports of $76 million. Such a large discrepancy has never before occurred, although there were slight deficits recorded in the years 1963 and 1967. Imports of $121 million represents an increase of 538 per cent over the level established in the period 1955-59, while exports for the year represent an increase of 78 per cent over the level established during the same period. Another fact which undoubtedly a vast majority of Canadians, especially farmers, find very difficult to accept—is that Canadians are now consuming some $60 worth of imported agricultural products annually, per capita, which is twice the amount for 1960.

When one analyses these figures, one wonders just what lies in store for the agriculture industry in the 1970s. The implications of the government's program to control production through restrictive quotas and national marketing measures, coupled with no-grow policies in respect of grains and the general concept of gearing production closer to domestic consumption, could very well inhibit the prospect of ever achieving a healthy, viable industry. We now have a grains policy which advocates the consolidation of farms into large, so-called commercially viable units. At this time, no one knows what farmers will do when they find they are forced to leave their farms. It will obviously add to the terrible unemployment situation which now exists. There appears to be no satisfactory program to cope with the retraining of these people and relocating them in satisfactory economic situations.

We have a marketing bill now before Parliament—which proposes to impose government controls on all aspects of production—buying, pricing, assembling, packing, processing, transporting, storing and determining the quantity, the time and place at which a regulated product may be produced. Why are such impositions being instituted? According to the experts and the government, the reason is that we have huge surpluses of agricultural products and we must institute quotas and other measures to ensure supply management and production control.

I believe this approach is sheer nonsense. What we need, first, is an admission by the government that the sales performance and marketing record of agriculture products has deteriorated to the point that it now must be classified as a dismal failure. I believe we then must take cognizance of the observation of the task force that our present allocation of funds to market research is far from adequate. In the past, a meagre 1.2 per cent of the total amount spent on all agricultural research programs has been allocated to market research, distribution and international trade. The task force also said that it found totally incomprehensible the present lack of policies and priorities in the field of market research. It questioned whether the industry could withstand the vagaries to which it will be subjected without some clearly defined policies and goals. So evident was this that in several instances the task force was unable to secure adequate research data in Canada to compile its report and found that such information was more readily accessible from foreign sources, particularly the United States.

• (8:20 p.m.)

I believe we should ask ourselves whether we in Canada wish to continue to be a net importer of agricultural products. If the answer is no, as I am sure it is, then it is the duty of the government and of the agricultural

sector in general to establish some priorities. We have already proved we can produce. We have the land, we have the ability, we have the technology and we can produce efficiently.

The first priority, as I see it, is that government and the agricultural sector in general must allocate more resources to market research and place more emphasis on market information and the dissemination of this information. On the basis of such factual and comprehensive information, farmers throughout Canada will be able to achieve an effective degree of product diversification related to forecasts and surveys made of market potential at home and abroad. In addition, we need an aggressive and effective sales force, thoroughly knowledgeable with respect to our products and the needs of our customers, which would show distinct loyalty to the concept of Canada first.

In conclusion, I believe the government should reassess its spending and taxation policies and then take a fresh look at its approach to regional disparities which have been treated in a backwoods manner up to the present time.

[*Translation*]

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, neither the no-confidence motion of the Leader of the Opposition (Mr. Stanfield), nor the amendment of the hon. member for Nanaimo-Cowichan The Islands (Mr. Douglas), are acceptable. Instead, we should congratulate the government for the steps taken to reduce regional disparties and what social injustices exist in Canada.

The Gaspé area, one of whose representatives I am in the House, has always been considered by Canadians generally as being economically weak, but offering great possibilities for industrial development. The situation that prevails in the Gaspé peninsula also exists in many other parts of Canada.

To all those questions, there is an answer; it is a matter of finding it. There is no reason why the people of the poorer areas should keep on living in a state similar to that of the 30s, even in eastern Quebec where neither farming nor the lumber industry are profitable in many cases.

Referring to the history of Gaspé, should we say or even think that the federal government is the only one to blame for the economic and social situation now prevailing?

In the 1930's, local authorities, very often the priests of various Gaspé parishes, made representations to governments for the formation of new parishes, most of the time under the pretext of developing natural resources such as agriculture and forestry. The undertaking met with doubtful success.

Indeed, lengthy studies revealed that the economy of such parishes or villages was not profitable and that the social atmosphere was very difficult for their inhabitants.

Once those parishes, called marginal, disappear, nothing will prevent the movement of the population towards well-established service centers where it will be possible to attract industries.

Such is the situation of people anxious to improve their lot and ready, through the policy of the Department of Regional Economic Expansion, to take the necessary means to reach this aim.

It is difficult to admit that in 1970, a group of parish priests should endorse a manifesto more negative than positive urging the people to stay in marginal parishes where experience has proved that economic and social life is impossible. Why blame this government which does use every possible means in order to improve the living conditions of people likely to be displaced?

Mr. Speaker, the opposition criticizes the regional economic expansion policy of the government but, in my opinion, it is the only solution to achieve the suppression of economic disparit.es. In a few years, we shall admit that the right hon. Prime Minister (Mr. Trudeau) and the hon. Minister of Regional Economic Expansion (Mr. Marchand) were right.

Because of the experience gained in eastern Quebec as a result of the surveys carried out by the Eastern Quebec Development Agency (BAEQ) and following the Canada-Quebec agreement, we are looking forward to a general and gradual breakthrough during the next few months.

In spite of the delays, is it right for us to find fault exclusively with the central government which has been supporting its fair share of the financial burden? Should we not remember that during the past two years, while the Quebec government was responsible for the implementation of this agreement, some of the provincial ministers, ostensibly to preserve the territorial integrity of their province, tried along with some officials, to hinder the carrying out of individual projects provided for in the agreement, the financing of which was to be the responsibility of the federal government on a 75 per cent basis.

I do not have to recall those lengthy and hazardous discussions which set the provincial authorities against the federal government with respect to the development of the Forillon national park.

Are we to think then that, because the Minister of Indian Affairs and Northern Development (Mr. Chrétien) initiated the establishment of this park and had the funds required, the federal government is to be blamed if the agreement was signed two years late? I do not believe so. However, considering the attitude of Mr. Marcel Masse, provincial minister responsible for the Eastern Quebec Development Bureau at that time, the Quebec government is entirely to blame since it appeared, for numerous non valid reasons, to want to deprive the Gaspé population of an annual economic expansion worth from $30 to $40 million, when the national park is ready for use. Those figures do not appear to have been exaggerated, considering the experience of other provinces.

Every member nows that although it is underdeveloped, the Gaspé peninsula possesses considerable natural resources, which can be exploited with profit.

Would it be normal that in 1970 the Canadian government should venture to spend substantial amounts of money to create in every village of the Gaspé peninsula industries like the Gaspesia Pulp and Paper Company Ltd., in Chandler, and the Consolidated Bathurst Limited, in New Richmond? Is it not preferable to apply government policy, which consists in helping these lumber companies to expand and offer more jobs to the population, and consequently, enable it to reach a standard of living comparable to that of other regions with a stronger economy? This policy, which I consider acceptable, will make possible the establishment of service centres adequate to present needs. The policy we are trying to implement in the Gaspé peninsula should also be applied in the Atlantic provinces.

The government's regional development policy is aimed at ensuring for future generations a standard of living more in keeping with the economic progress of the nation as a whole.

The present government has already shown, and continues to show a keen interest in the establishment of new industries in Canada. Volvo, Michelin, Canadian General Electric are now operating in Nova Scotia and the leader of the Opposition, before presenting his motion of non-confidence, should have taken into consideration the benefits his own province has derived since 1963 from the federal government's policies.

The present government, through its Department of Regional Economic Expansion, has made it possible for existing companies to obtain grants for purposes of expansion. In this way the government participated financially in the expansion of several industries in my riding, including the Gaspesia Pulp and Paper Company Ltd. in Chandler, the Consolidated Bathurst Limited mill in New Richmond. It also helped the construction of the Canadian International Paper Company mills in Matane and, finally, it subsidized the fisheries complex in Rivière-au-Renard.

I would suggest that certain mining companies such as Noranda Mines and others decentralize some of their operations and install refining plants in underdeveloped areas. This decentralization would achieve two very definite objectives: the industrial development of such areas, which would ensure additional jobs and enable their residents to attain a living standard similar to that of the more favoured Canadian regions; and the possibility for decentralized plants to combat pollution of urban centers.

• (8:30 p.m.)

For a long time, transportation has been a problem in several parts of Canada. For some years, the present government has endeavoured by all necessary means to meet all the requirements in this field. This goodwill on the part of the government is demonstrated by the fact that work has already begun on the site of the new Sainte-Scholastique airport.

In the Gaspé and Lower St. Lawrence region alone, the federal government has spent, since 1964, $13 million for road construction, excluding the Trans-Canada Highway. It has built the ocean ports of Chandler, New Richmond, Matane and Rivière-au-Renard so as to allow the regular operation of the local industries, thus ensuring a decent standard of living for a good part of the population.

In conclusion, the motion moved by the hon. leader of the opposition and the amendment proposed by the hon. member for Nanaimo-Cowichan-The Islands are irrelevant in the present context.

In fact, after these remarks, it would appear that the government, in my view, is fully able to set priorities notwithstanding the stresses it has to face. The future will demonstrate that the right hon. Prime Minister and the members of his cabinet were working for the well-being of the nation as a whole.

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, the way the motion under consideration is now worded, gives hon. members the opportunity to point out, each in his own way, the poor results witnessed by the Canadian people concerning the unequal opportunities for a decent life in a country so affluent with a variety of all sorts of assets that its present administration is faced once more with an overproduction problem.

Instead of looking for a solution in the improvement of the means of distribution, a price and income commission was set up at the cost of $160,000 to $179,000 per year, in order to show to the Canadian people that they overspend. Here is an example of income distribution: a few good friends of the administration are paid salaries of $28,000, $33,000, $37,000 and $40,000 a year.

Several Canadians realize that it is a big price to pay to learn that they overspend. We learned lately that the members of the commission had succeeded in establishing, after investigation, the price of a cup of coffee. They would be of much greater service to the people if, while looking for price adjustment methods, they would try to uncover the true reasons for the price increases. They would easily find that one of those reasons is the high cost of interest on the public debt.

From confederation until 1964, the Canadian people have paid over $15 billion in interest on the public debt, and since then, the cost of interest on that famous debt has exceeded one billion dollars each year. Let us consider for one moment the tremendous increase of our debts and of all kinds of taxes which inevitably affect prices and we shall find the major cause for the increase in the cost of living.

• (8:40 p.m.)

The higher the proportion of income absorbed by taxes the more the purchasing power of the consumer is decreased and, without noticing it, he is drifting towards state socialism.

This is easy to understand: the money the taxpayer keeps he can spend at will while the tax money taken in by the government is spent by the state according to its own plans and not according to the individual's plans.

The federal government now takes more than 25 per cent of the citizens' income. It manages more than one quarter of the total expenditures in this country. It rules over a little more than one quarter of our production and our consumption.

To this must be added the share taken by the provincial and municipal governments. One can wonder whether this is leading to the forced abdication of the human being to governments. And yet, the human being is free, and the government is only an institution bound to his service.

Some complain of being overburdened by taxation and above all consider that they are being deprived of the fruit of their labour, and they have a good point. However, I wanted mostly to outline that steadily increasing taxes are leading us quickly to state socialism.

Besides, when the overburdened private enterprise loses heart, it is, of course, replaced by an industrial or a state monopoly. In the first case, we have financial domination, and in the second, state bureaucracy. A system must be quite out of gear to force a choice between those two forms of human enslavement.

However, there is another solution: the control of money where it originates, according to the facts, the rights of the human being, and the capacity of the country. This would be Social Credit. But our governments prefer to rule the individuals rather than interfere with the privileges of the people who create money.

It is true that unless we decide on reform according to the Social Credit theory, whether we like it or not, we are on the way to state socialism, including the degradation of the human being.

Socialism and communism approach the problem of the distribution of goods with the idea that some people have too little and others too much. Instead of requesting the distribution of all surplus products, which represent an unused collective share, they insist on taking away from those who seem to have more than their share.

Unfortunately, sociologists, labour leaders, even earnest supporters of corporatism, approach the distribution problem somewhat in the same light. Without falling into the excesses of a sour and levelling communism, they seek a solution to the social problem only in a less unequal distribution of goods, and not in a generous distribution of the goods not already apportioned.

They all follow the rule of work participation in order to have titles to production, while promoting a more equitable allocation of those titles. Their submission to that rule is the cause either of their errors, or their deficiencies, or their difficulties, because since man has been using his brains, he seeks to eliminate human labour from production. And in an age when he succeeds more and more, the problem becomes harder and harder for those good researchers, however well-intentioned they might be. They all lack a clear understanding of the distributive economic doctrine of Social Credit.

Besides denouncing this paralyzing and debt-breeding tyranny of the monopoly of money and credit, we suggest means to end it.

As soon as one acknowledges that the realities to produce are there—and I believe that they are easy to see—one has to proceed to implementation. It will also have to be accepted that the implementation of the financial suggestions of Social Credit set forth by Major Douglas would eliminate the obstacles precisely by putting finance before those realities.

"Finance, as rightly stated by Major Douglas, must be controlled by production and consumption or the production and distribution of products should not be conditioned by finance."

Money and credit—the purchasing power—available to the people must be constantly equivalent to the total price of goods available in that country—whatever the cost price of such goods—and those means of payment must be cancelled or depreciated only in accordance with the consumption and depreciation of consumer goods.

Any new production must be financed with new credit which would be recalled and cancelled only according to the appreciation-depreciation ratio.

The distribution of the purchasing power among individuals must depend less and less on employment to take into account an increased production, while there is a reduction of manpower. Dividends must gradually replace wages as the production capacity increases through automation and improved machinery. We must set up a financial system whose application patterns may vary yet respect those principles, as opposed to the present system which is inappropriate and disorganized, which breeds hardships or worries, inertia or unpaid debts while there is boundless productivity. There no longer shall we complain about lack of schools, of houses or of other things to meet real public or private needs.

Progress thus put at the service of everybody, without any financial restrictions, will prevent man from becoming too preoccupied and too busy with economic matters. It will therefore be up to him alone to engage in free activities favouring full development of his personality. Evidently, there will remain a wide field of action for teachers and priests but, at least, limits to this full development will not be imposed any longer by financial decisions only. We will no longer suffer from a financial dictatorship rationing human beings despite plentifulness and paralyzing citizens despite efficient means of action.

If everyone knew really what it means to be an honest and hard working man who is a victim of unemployment and finds himself unable to provide his family with a decent living, through the fault of an obsolete economic system, many people would change their mind and those mummies left over from a past to be forgotten would

soon be revived through a live contact with the realities of today.

Some people are quick to state that the Créditistes have "forward" ideas. This could well mean an implicit condemnation of the position of those who prefer to mark time in a world continuously striving for new achievements. Should we, in order not to disturb those champions of an economic statu quo, burden the rest of humanity—the healthy part—with the unbearable weight of so-called dogmas, the work of human brains trying hard to be considered infallible?

Because of the present situation, it is obvious that this winter will bring a great deal of unemployment and that many regions will particularly be afflicted by it. Among the various classes of manpower, it is the younger and the older people who are the most hardly hit. These two classes of workers deserve special sympathy. If it is appropriate to seek the best means of solving the problem, a task which is everybody's concern, it might also be important to show some understanding for the unemployed, to avoid summary judgments and, mostly, to avoid taking advantage of the present situation to retaliate on the workers. The spectre of unemployment is hard enough to bear without that.

It happens that we take the young people to task for their lack of ambition and ideals and find them skeptical and blasé. We also severely blame them for being heartless and lacking in initiative. Of course, too soft and too superficial an education or the search for easy living have degraded the taste for well being earned through sacrifice. But that could not be true in every case. Those who have grown up in a large family have already had the opportunity of learning the value of sacrifice and self-denial. They soon learned how to take care of themselves. Those who had more than their share of hardships, those who had to make efforts to get a high school diploma or a university degree have already earned, through their will to succeed, a capital that others do not have.

Anxious to work and to build a successful future, they are faced at the start with an artificial system which raises obstacles in their path. They feel crushed and deprived of a fundamental right: the right to work. They feel useless. A large number of them keep hoping that tomorrow maybe they will be accepted on the job, like the immigrant to whom the door of the country is widely opened. He will remember this with sorrow and with resentment, unable to understand why he was turned down.

What is more serious still is that many, even thousands, face the same situation. To be sure, a distinction must be made between those who want to work and those who do not, between those who are lazy and those who are not, between those who are capable and those who cannot do any kind of work.

One fact remains: during the economic depression of the 30's young and not-quite-so-young people with ambition had a taste of what it meant to be jobless and to wait for prosperity over long years. Among them some had enough courage to face exile in order to find employment, yet without brighter hopes than the expectation of three meals a day. Others had to wait for the war to break out in order to relieve their parents of the burden of a dependence very unwillingly imposed upon them.

Let us try and find solutions more in keeping with 1970 realities.

• (8:50 p.m.)

[*English*]

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member. I do so to remind him that the time allotted by special order of the House has expired. Is there unanimous consent that the hon. member continue?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: There is no unanimous consent.

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I have been looking forward to this opportunity to pass along to the government the expressions of great concern that my constituents are conveying to me in increasing numbers and with increasing urgency. It becomes more difficult with every day that passes to explain to my constituents why the government of our wealthy nation cannot provide the basic necessities of life for its citizens. It is not enough just to say to the unemployed that our country is being poorly managed. It is not enough to say to them that the present government is inept, inefficient and confused. If I were to offer no more than that, I would be doing the same as the government is doing; I would be offering words instead of action.

Since the government appears to be tragically unaware of the seriousness of the unemployment situation in this country and of the seriousness of the general economic climate in Canada today, I would like to lay on the table a few frightening examples of what we are faced with, in the hope that the Minister of Finance (Mr. Benson) and the Prime Minister (Mr. Trudeau) will take note of them. First of all, it will probably come as a surprise to the Minister of Finance to learn that his attack on inflation has been a disaster. It will probably come as a surprise to this government that the people of Canada are not smiling as broadly as the Minister of Finance when they contemplate the greatly increased unemployment that faces us in the coming winter months.

At the present time the rate of unemployment in Canada is the worst in 25 years. But according to the forecasts, that is only the beginning. The outlook for even our most affluent provinces, for the provinces with the best management, is dire indeed. Starting with the Atlantic provinces, the prospect is 14 per cent unemployment in the coming months, and some forecasts go up to 20 per cent. This is a high price to pay for the government's ill-conceived and ill-fated war against inflation.

In Quebec, the prospect is 13 per cent unemployment, and this figure is likely to be exceeded. There is a Liberal government in Quebec now, and even the attempts of the federal Liberal government to shore up

Quebec's tangled economic situation is not likely to help matters a great deal. The federal government has accepted the responsibility to provide the jobs that the Premier of Quebec promised his people if he were elected, and it appears that both governments have failed miserably.

In the Prairie provinces the prospects are no better. It is predicted that unemployment in the three Prairie provinces will run to at least 8 per cent, and again this is a conservative estimate. Moving to the west coast, that western anchor of this great nation, this wealthy nation, the province of British Columbia faces the prospect of 12 per cent to 14 per cent unemployment at a time when jobs should be most plentiful.

Using the round figures of 500,000 unemployed and $5,000 as the annual income lost by each unemployed person, the net loss to the country is astronomical. This represents a loss of income in the order of $2½ billion a year. Using a base tax rate of 10 per cent, the loss in taxes amounts to $250 million. The lost income represents lost purchasing power, lost opportunity for these people to better themselves in our society and lost dignity and pride of accomplishment.

We cannot afford a loss of this magnitude. If any corporation or business adopted the same shoddy business practices that this government is using to manage the country, that company or business would surely fail. The same logic must be applied to our country, because our country is a giant corporation that is being managed for its stockholders, the Canadian people. Any government that attempts to manage Canada as though it were five separate economic entities is inviting disaster, and that is just the manner in which this country is being managed.

Surely the government must be aware of the seriousness of the unemployment situation. The figures are there for them to see. If the average Canadian can assess the danger that faces us economically, surely our jovial Minister of Finance can see the danger. In an economic system such as ours we can consider that we are holding our own if we hold unemployment to about 3.8 per cent, but only if we maintain an economic growth rate of about 4.5 per cent per year. We are tragically short of a healthy growth rate, at approximately 1 per cent, and we are certainly exceeding the limits of unemployment. In fact, that rate is more than double the acceptable rate.

There is clear evidence that the government does in fact recognize the danger in our economic and fiscal postures, in spite of its attempts to cover up with a smile and a shrug of the shoulder. There is evidence of panic in the ivory tower. There is clear evidence that the largest cabinet in the history of this country is slogging hopelessly in a morass of indecision and confusion. This confused situation is being compounded daily by the implementation of hastily contrived, stop-gap measures in a vain attempt to stem the tide.

One example of such hastily conceived measures is the streamlining of the Unemployment Insurance Commission. In the process, hundreds of local commission offices were closed and thousands of qualified persons have been required to deal at a distance with offices that are there for the sole purpose of serving the people. Every day I receive requests from constituents for assistance in cutting through a new brand of red tape in order to obtain benefits that are rightfully theirs, benefits that have been paid for over many years. The percentage of cases in which I have been able to gain satisfaction for my constituents has been almost 100 per cent. This in itself points up the extent to which this particular management innovation has failed. However, it is useless to try to convince the government that other methods should be instituted.

The government is much too busy innovating and experimenting to concern itself with serving the Canadian individual. It is much easier to jump from one stop-gap measure to another than to try to develop long-range programs that work to the advantage of the individual. I am sure that the Liberal backbenchers receive the same type of complaints from constituents as do opposition members. It surprises me that there is so little evidence of concern on the part of those members with regard to government practices and government failures to resolve fundamental problems. It surprises me that at least a few government members do not take advantage of their rights under our parliamentary system to make their views known to their government.

It is typical that when the government announces loudly a program to deal with a problem, it tells only half the story. I am thinking about the program announced a few days ago to deal with unemployment. Included in the program is the provision of $10 million additional funds for the Unemployment Insurance Commission retraining program. One would automatically assume that this would mean additional schoolroom seats for those who would like to improve their level of schooling and their employability. Speaking for Ontario, that is not the case. In response to complaints from constituents who were unable to enrol in a retraining course, I made inquiries about the state of the program in my area. I found that the budget for my region is short of its basic requirement by approximately $89,000 and, as a result, several levels of formal schooling have been wiped out for the present and for the foreseeable future.

• (9:00 p.m.)

For instance, two of the most important levels as far as improvement of employability are concerned, grades 11 and 12, have been eliminated from the training centres in my region. There are four classroom seats available in grade 8, and only one seat in grade 7. The number of job-seekers in the region has doubled in the past few months. The need for retraining has increased correspondingly, yet there has been a serious setback in retraining funds and facilities.

There is another aspect of the compound problem of economic slowdown and high unemployment that should be stressed, and that is the long-range effect of decreased revenue on the one hand and a spiralling welfare budget on the other. When people are unemployed for long periods of time, people who would ordinarily be employable, the drain on the public treasury for welfare and other assistance will in time create a serious imbalance in our economic structure. When people who should be

contributing to the economy are, instead, drawing from that economy, those who are contributing will be required to contribute still more. If this process served to eliminate the problem, it might be acceptable. But all it does is perpetuate the problem and we have a gradual roll-back in the economy instead of healthy growth.

As I mentioned before, Mr. Speaker, this situation cannot be prolonged indefinitely, not in a business or in a corporation and certainly not in a national economy. The fact remains that poor management is behind most of this country's ills. It is also a fact that the only way we can recover from the dilemma of impoverished affluence is to institute sound management principles. It would behove us to move in that direction now, while we can still move at all.

Mr. Ralph Stewart (Cochrane): Mr. Speaker, in order to develop those parts of our country which have experienced relative disfavour in the past, the government adopted certain programs under the Department of Regional Economic Expansion. I was overjoyed to see those programs adopted and I embraced them. The theory that money should be pumped into those areas to a greater degree than into the more developed centres is a sound one, but I wonder how it works in practice; I wonder if the end result is what we intended by bringing in that kind of measure.

Earlier in the debate many hon. members spoke about the incentives plan. The hon. member for Prince Edward-Hastings (Mr. Hees), and I have great regard for his selling ability, particularly when he was the Minister of Trade and Commerce—he and his executive assistant had many great ideas for selling Canadian products—spoke about the industrial incentives plan and about other plans to be added to it. Regardless of what we add to that plan, I am wondering if the end that we seek is being accomplished. We hear murmurings from different parts of the country about whether the incentives plan really does develop the kind of industry, and therefore the kind of employment, we would like to see in those parts of the country that are less favoured than others.

How does it actually work, Mr. Speaker? The government comes along with a plan and says, "These areas are less favoured. If industries would like to establish in them, we will give certain amounts of money as an incentive for them to do so." But what in fact happens? I speak, as we say in French, en connaissance de cause, because northern Ontario has been established as one of those areas largely because of the efforts that some of us made to bring attention to that part of Canada. But there are many people who ask, "Even though northern Ontario is a designated area, just how much money has come into it for regional economic expansion?" If we make comparisons, and some people have done this, we see that some parts of Quebec have received more money. But let us look at this matter a little more closely. Let us look at my own constituency of Cochrane. Let us look at the various areas which could support new industries.

I believe that no economic base is sound unless it maintains a variety of industries. A one-industry town is not economically sound, and this is the basis of many towns in northern Ontario. When you visit these towns and ask, "How would you like to have a new industry?" they reply, "By all means. We will do everything possible to help bring in a new industry." But, Mr. Speaker, when it comes down to the nitty-gritty, how many of those people have actually gone out and done something about bringing in industry?

I am raising these points because I do not know anyone who has put more effort into attracting secondary industry to northern Ontario than I have, and I have travelled all over the world. You just do not sit back and say, "We are a nice area. We have lots of nice fishing and hunting. Everybody should be happy to come here and establish industry." It does not quite work that way. Even with the incentive provided by the federal government of up to 25 per cent of the capital cost, how many people say, "We would like to go to northern Ontario"? There are not many who say that.

• (9:10 p.m.)

It is a question of selling them the idea, bringing them there and letting them see what we have to offer in the region. Then perhaps they may establish a new industry. We have asked people from outside the country to put money into industries in that area, but the point is that unless there is some kind of input from local individuals, from local governments, and co-operation among all levels of government, we will not develop secondary industry in northern Ontario or anywhere else in Canada. It would be an anathema for us to speak against the idea of foreign capital in northern Ontario because we know we have no alternative source of capital. The hon. member for Timiskaming (Mr. Peters), has spoken on this subject. I suggest that those members of the New Democratic Party who are so ready to speak against foreign investment in this country should stop and think for a moment. No one in northern Ontario would stand behind that idea. It is strange that people in the New Democratic Party are so anxious to speak against American investment in Canada, or any kind of foreign investment but they specify American investment, of course.

An hon. Member: Right.

Mr. Stewart (Cochrane): It is amazing that they never mention that the unions in Canada which are international—we call them international, but they are American—control the destiny of this country because they decide whether there will be a strike. They would rather talk about American money. Frankly, Mr. Speaker, I would accept money from the Americans any day of the week to help develop industries in northern Ontario. I am sure the hon. member for Timiskaming would, also.

An hon. Member: Would what?

Mr. Stewart (Cochrane): In the riding of Cochrane not very many people have enjoyed this regional economic

expansion handout. I consider it a straight handout and it is a great thing. If I had money, there is nothing I would rather do than start new industries wherever the government would pay me these incentives, because there is nothing greater as far as I can see. However, in my constituency there have been only three instances of people making application and being successful in obtaining an incentive grant, and these were strictly on the basis of expansion.

Two weeks ago I was in Cochrane for the expansion of Cochrane Enterprises. This is a plywood plant which had expanded considerably, and we were all happy about it. However, no new industries have come into the area despite all the efforts being made. This leads me to believe, Mr. Speaker, that something must be wrong somewhere. It is not only a question of the incentive grant. It is not only a question, as my hon. friend from Prince Edward-Hastings suggested, of granting tax relief for a number of years. There has to be something else. It seems to me that we should be trying to find a way to get people from the horseshoe around Lake Ontario to say, "This is not where we want to be. We want to be up where the air is pure, where land does not cost much. We would like to establish an industry in northern Ontario or other areas".

Some hon. Members: Hear, hear!

Mr. Alexander: We need a new transportation policy.

Mr. Stewart (Cochrane): The hon. member for Hamilton West (Mr. Alexander) has lit upon the question I was going to raise next, that is, transportation. In my wanderings around the world I came across a group willing to go into a pulp and paper enterprise in northern Ontario, which is something the local people cannot go into because it requires a large amount of capital, and so on. This is a case where you have to accept somebody else coming in. We hope this industry will come about. There are economic studies being made now to determine whether we should go into it.

One thing that concerns them and everyone who thinks about establishing in the northern part of Ontario and other regions of Canada which are disfavoured is the question of transportation, the question of freight rates. This is an essential program. Every time we speak about development we come back to the problem of freight rates, the cost of sending the products to market.

Some hon. Members: Hear, hear!

Mr. Stewart (Cochrane): For this reason we hope very shortly to have a conference in northern Ontario which will determine a new transportation policy for the whole of that area. For the moment, however, let us consider one of the existing industries there, pulp and paper. Why should companies in Cochrane, Smooth Rock Falls, Kapuskasing, Timmins or anywhere in northern Ontario be jeopardized because of their location? Why should they have to spend more than someone in another part of the country to send their products to market? A producer in British Columbia can send his products to Europe much more cheaply than a producer from northern Ontario, yet the British Columbia producer has to ship through the Panama Canal and across the ocean. In Germany, from anywhere along the Rhine River to the North Sea the cost of sending the product is the same. Of course, Germany is much smaller than Canada, but the principle is there. The point is that no one is jeopardized because he lives in one part of the country rather than another. Why should we in Canada be jeopardized in this way?

It seems to me that these disparities will not be cured by this program of incentives alone. We have to look deeper. The real problem is transportation. This is a big country and we cannot send products to the sea from every part of it for the same price. But we should be able to do so and there should be a policy established for that purpose, otherwise people in one part of the country are disfavoured as compared with people in another part.

In years past, Mr. Speaker, we have heard these problems discussed. People have said, "We in northern Ontario are not understood by people in the south. People in Toronto don't know about us, don't care about us; they forget about us."

Some hon. Members: Oh, oh!

Mr. Stewart (Cochrane): That is the truth. People in northern Quebec have said, "Those people down in Montreal and Quebec City don't know about us and don't care about us." The hon. member for Abitibi (Mr. Laprise) can confirm what I am saying, because people in the northern part of Quebec have the same mentality, the same outlook and aspirations as the people in northern Ontario. A few years ago there were those who thought that because of this lack of understanding and our richness under the soil, although we are disfavoured on top of the soil, we should get together and have the northern part of Ontario and the northern part of Quebec form a new province. When I first heard about this I thought it was not a very good idea.

The Acting Speaker (Mr. Laniel): Order, please. I think this might be a good time to advise the hon. member that his time has expired.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, we have before us a motion which, among other things, refers to the increasing economic inequalities among different regions of Canada. For the purpose of my remarks tonight I should like to state that there are four regions of Canada. The first is the metropolitan megalopolis like that to which the hon. member for Cochrane (Mr. Stewart) referred. Those of us who live in other places feel they are such vast centres of power and luxury that the rest of us are hewers of wood and drawers of water for the city dweller. However, I have heard the hon. member for York West (Mr. Givens) say that the second heaven has not yet arrived for people in places like Toronto. I have to agree. I would not want to live in one of those asphalt jungles.

We are considering the responsibilities of the federal government and what it has accepted as its responsibilities in dealing with the inequalities of various regions of Canada. I submit, Mr. Speaker, that there are specific

policies to make provision for such things as urban renewal, urban reconstruction and that sort of thing in the urban regions of Canada. Then we have what have been referred to as the slow-growth areas of the country. These are areas where for one reason or another it would appear the economy has become stagnant and unemployment has reached unusually high levels. In respect of these regions we have had much debate for many years in the House. Various types of programs have been tried and developed, and some have been discarded. At present we have ARDA and we had the designated areas program. Now we have the designated regions under the regional Area Development Incentives Act.

• (9:20 p.m.)

The third region I refer to constitutes 30 or 40 per cent of the land mass of Canada. It is the area of the territories. There, for constitutional reasons that I will not go into, the federal government has assumed great responsibilities, both in the area of industrial resource development and toward the provision of community facilities, to make it possible for the people who live and work in those areas to enjoy a reasonable standard of living. There again we may say that perhaps everything is not all that it might be.

I suggest the fourth region of this country is what I will refer to as the fast-growth resource area, which is largely in the northern parts of the provinces. The hon. member for Cochrane referred to one of these areas. These areas, for one reason or another, feel alienated from our great metropolitan regions such as Toronto or Vancouver. The area that I represent, which is roughly the northern three-quarters of Vancouver Island, is one such area. It is not a matter of redevelopment; it is not a matter of the existence of a high level of unemployment in those areas: it is a matter of beginning with undeveloped resources and undeveloped facilities and of people having to live there and of travel to and from the area.

I have been examining various programs of the federal government. It seems to me that the whole area of the country which has sometimes been referred to as a possible mid-Canada corridor has really been left out of the picture so far as concerns economic inequalities and social inequalities that may exist between this region and the other regions of Canada I have outlined. Therefore, I think it is time that a few minutes were taken to examine this situation.

The only existing federal programs in those areas that I can think of are programs under the auspices of Central Mortgage and Housing Corporation in the fields of housing, and sewer construction which have general application across the country. I suppose one could say that the manpower retraining and mobility programs do something toward providing skilled manpower in those areas, but I suggest that these programs tend to aggravate rather than improve matters involving the provision of social amenities, transportation and other necessary facilities. This is a situation which I have discussed in the House and have raised with members of various federal governments over many years.

I must say that it has been a rather frustrating task so far as I am concerned because I come from the province of British Columbia. It seems to me that this is something in which the government of the province of British Columbia has been completely uninterested. Indeed, Mr. Speaker, when we talked about the need for federal assistance in the provision of community facilities and transportation facilities in areas such as the northern part of Vancouver Island it was pretty difficult to build a convincing case when the Premier of British Columbia was talking not so long ago about having $300 million to pour into the Yukon if that part of Canada would link itself with British Columbia. That was $300 million for the building of highways and other community facilities.

An hon. Member: Give him Cochrane instead.

Mr. Barnett: That is an example of the kind of problem that a member in the federal House representing such a fast growing area has had to face. There has been a need to examine the situation and to determine whether specific and particular problems and inequalities applied to the people living in those areas of the country, and to determine whether they need a distinctive program apart from that provided for slow-growth areas or for the great metropolitan centres.

There has been a glimmering of interest in this matter since the special areas were established under the government reorganization bill of the previous session. I am referring to the bill which established the Department of Regional Economic Expansion. The minister of municipal affairs has suggested that northern Vancouver Island is one of the areas that should qualify under this program. My initial reaction to that, Mr. Speaker, was that the suggestion probably did not amount to much more than the kind of sparring that had gone on between the federal and provincial authorities. I mention, for example, the idea which was bandied about of making the road to northern Vancouver Island part of the trans-Canada highway. I have suggested more than once that this proposition was never properly put to Ottawa and that if Mr. Bennett had $300 million to spend in the Yukon, he could certainly afford to build 100 miles or so of road northerly on Vancouver Island.

An hon. Member: That is right.

Mr. Barnett: However, Mr. Speaker, this does not alter the fact that there is a real need for social capital to be invested in roads, sewer and water systems and in the normal paving programs that take place in communities. Also, when large industrial undertakings move in to exploit resources almost overnight, without any particular provision being made by any authority for a comparable investment to be made in community facilities, the people who are expected to live and work in these areas will be faced with real problems and, I submit, with real inequalities. So I suggest that when we talk about these programs to deal with such problems in specific regions of the country, consideration must and should be given to

the particular needs of the people who live in the undeveloped, fast-growth resource areas in the northern parts of the provinces of this country.

I should like to see more serious attention paid to these problems. If the statements I have read in the press are correct, that the government of the province of British Columbia through a cabinet committee is making at long last a serious study of this problem with a view to making a presentation to the federal government in a proper way, I hope that that presentation will be given consideration by the government. I could expand on this situation in some detail. I could particularize those areas in my constituency where the need for this kind of development is the greatest. In the circumstances, and with the limited time I have in this debate, I do not think I have an adequate opportunity to develop this theme. I have, therefore, contented myself with giving a general outline of the problem which I submit exists virtually across the whole of Canada. It is one which, as I have already said, is of particular urgency in the area of Canada that I represent in this House.

Mr. Erik Nielsen (Yukon): Mr. Speaker, it was only a few short years ago, 1961-1962, that the government of that day was being violently attacked in this chamber by those who now form the government because of the serious unemployment problem that confronted the country. Day after day, with their usual bloodthirsty motivation for political advantage, the Liberal opposition of those days—

An hon. Member: Author?

Mr. Nielsen: I wrote the speech—just a few short years ago heartlessly traded on the sorry plight of thousands of unemployed in Canada, not caring for a moment that their conduct was adding to the social unrest, just so long as they succeeded in undermining confidence in the government of that day. They could not have cared less about being helpful, because if they had been constructive it might have helped the government and, consequently, the country. All they cared about then was to bring the government down, and to hell with the country. In that they succeeded, and perhaps the single most important factor in the defeat of that government was the unemployment in the country at that time.

• (9:30 p.m.)

Their strategy at that time is most relevant to this debate, for they have not changed at all. Then they distorted the statistics at will. When a statistic was harmful to the government, it was exaggerated and distorted by them. They are following the same strategy now, only the situation is reversed. Now, the overwhelming evidence shows serious unemployment existing, with massive unemployment to come this winter. And what do they do? They are again distorting the facts, playing with the statistics to make them appear more favourable to the government than is the case. In the process they deliberately mislead the people of Canada, deliberately paint a rosier picture than is the fact and, most repugnant of all, they deliberately set out to make organized labour the scapegoat for their own glaring inadequacy. All for the purpose of power! Their philosophy is, stay popular and stay in government whatever the cost in terms of truth to the people of Canada.

In 1961-62 they even set up their own bureau of statistics, led by the now government leader in the other place and abetted by many who now sit on the treasury benches. We called it, not the DBS but the MBS, after its leader—the "Martin Bureau of Statistics." The statistics which they produced bore as much similarity to the truth as do those which the government today produces. They wilfully, knowingly and repeatedly present to this House and to the public the unemployment figures in such a manner as to induce the belief that they are better than they actually are.

What they are doing is using the aggregate figures on total unemployment and the aggregate percentage of those unemployed. In doing so they are deliberately ignoring the regional variance in unemployment because this is embarrassing to them. They completely ignore the age variance in unemployment, one of the chief reasons being that the hardest hit in this category are young people and students and it certainly would not do to have the students and young people realize that the Trudeau government was deliberately knocking the economic stuffing out of them. They totally ignore the amount of hidden unemployed, perhaps the largest sector of which is in the native Indian and Eskimo population whose unemployed numbers, if they were added to the list now, would increase the figures by some 100,000. Finally, they turn a completely blind eye to the length of unemployment.

I have not the time to analyse each of these omissions in detail. Suffice it to say that government spokesmen know they are distorting, by their omissions, and are thereby misleading the House and the country simply for the sake of maintaining popularity and power. They consistently quote the actual rate of unemployment rather than the seasonally adjusted rate. With regard to the Minister of Finance (Mr. Benson)—some call him "Gentle Ben" but when he pulls tricks like this he would be better called "Heartless Ben"—is even stooping to the device of trying to discredit the validity of the seasonally adjusted rate and to play down its significance. This is exemplified by his contribution to the debate on the Speech from the Throne last October 13. I begin to believe there is no end to the depths to which they are prepared to plunge in order to deceive as long as it is to their political advantage.

They blame labour, particularly the Prime Minister (Mr. Trudeau), who has on several public occasions painted labour as the evil originator of inflationary forces in Canada. There has been a significant increase in labour unrest in this country in the last two years. I deal with this question, Mr. Speaker, because no single factor has contributed more directly to labour unrest than inflation brought about by this government's policies. By inflation, the have-not unions and the unorganized have been reduced progressively to a lower standard of income and living. The powerful unions and those organized for

bringing pressure on the economy have been compelled by their membership to press for higher and higher wages to replace lost purchasing power. This is the situation created by this government's policy of high taxes, high costs and high prices. It is a ruinous, iniquitous policy and has resulted in forcing down the standard of living of a whole group of Canadians who have joined the rank of the new poor as a result of this government's policies.

Inflation picks the pocket of the working man, siphoning purchasing power from his pay cheque, forcing him to demand higher and higher wages, taking the food away from his family. And that inflation is the product of policies of high taxation and high spending invoked by this government, which have subtracted the working man's gains at both ends by reducing the amount he receives and adding to the cost of the things he buys. Under this government labour has become the forgotten department. Labour has been downgraded. The Minister of Labour (Mr. Mackasey) has been reduced to chief conciliation officer for the federal government. He is the closest thing to a minister without portfolio. These are the areas and these are the problems where the government has failed pitiably.

We have growing unemployment, the iniquitous indirect tax of forced inflation, high costs, unjustified government spending resulting in high taxation, with Canadians being squeezed more and more every day and having to run faster just to stay where they are. This is the area in which the government should act and in which it stands indicted by a record of inaction unparalleled in the history of this nation. This government should come back to earth, forget about long-range theorizing and academic abstractions and come to grips with the people's problems. They should stop preening and admiring themselves. They are all on a permanent ego trip. Where is the just society? What happened to the war on poverty? Where is participatory democracy? Slick phrases coined to get votes, but principles forgotten. Poverty cannot be beaten without full employment. Society cannot be just, with poverty increasing.

This government has been spending hundreds of thousands, nay, millions of dollars on armies of task forces running all over the country, to say nothing of the commissions and royal commissions. The Prime Minister, his ministers and most members on the government side have been busy mounting platitudes and paying lip service to the just society, participatory democracy and the now infamous war on poverty in the various regions of Canada. Since all these task forces, commissions and royal commissions, studies and reports have a name, I think we should give a name to the government's efforts to fight the war on poverty, a name to describe the things being said by government spokesmen in their posture of being great generals riding to do battles which they have not even begun. Let us call their efforts and their statements "combined regional anti-poverty." The true measure of their efforts and the truth of their statements may be best described, I suggest, by the first letters of each of four words of that title.

Some hon. Members: Hear, hear!

Mr. Nielsen: They deserve a medal, Mr. Speaker. When I was in the RCAF, if I may still be permitted to call it that, we had a medal which was awarded to those who persistently fouled up the works, particularly those who did not learn by their mistakes or sat back and did nothing. In other words, it was an award to those who fiddled while Rome burned. It was called the MHDOIF, and anyone who was in the air force will know what those initials mean. If there is one man who has earned this medal, it is the Prime Minister, and I think I am speaking for all members on this side of the House when I say that the government has earned this medal. I hereby present the Prime Minister with the MHDOIF—the Most Highly Derogatory Order of the Irremovable Finger.

• (9:40 p.m.)

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Hamilton West (Mr. Alexander).

Some hon. Members: Hear, hear!

Mr. Lincoln M. Alexander (Hamilton West): All I hope is that my hon. friends will not clap for too long in their enthusiasm, because I see that time is running out.

Some hon. Members: Hear, hear!

Mr. Alexander: I can state that the only difference between this debate and the debate which was held on November 12, 1970, is that the opposition is even more intent in its determination to make clear to the people of Canada the reckless, cold-hearted and barbaric attitude of the government toward the millions of Canadians in the work force, numbering 8.5 million, and those who would like to form part of it but have little chance.

Some hon. Members: Hear, hear!

Mr. Alexander: This attitude caused unemployment figures to skyrocket to 419,000 in October of this year, compared with 314,000 a year ago. I should like to add that the Prime Minister (Mr. Trudeau) is striving earnestly for the dubious honour of going down in history as the Prime Minister who held office during the period of highest unemployment since the depression. Such a course will surely lead historians to state that he flirted with disaster and was seduced without benefit of affection. It will also be known as a regrettable side effect of the government's fiscal and monetary policies—

The Acting Speaker (Mr. Laniel): Order. It being 9.45 p.m. it is my duty, pursuant to section (9) of Standing Order 58, to interrupt the proceedings and forthwith put, without further debate or amendment, every question necessary to dispose of the motion now before the House.

An hon. Member: Where are the government members?

The Acting Speaker (Mr. Laniel): The question is on the amendment. All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Division

The Acting Speaker (Mr. Laniel): All those opposed to the amendment will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Laniel): Call in the members.

The House divided on the amendment (Mr. Douglas, Nanaimo-Cowichan-The Islands), which was negatived on the following division:

• (9:50 p.m.)

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Baldwin
Barnett
Bell
Benjamin
Burton
Cadieu
Carter
Coates
Crouse
Dionne
Douglas (Nanaimo-Cowichan-The Islands)
Forrestall
Fortin
Gauthier
Gilbert
Godin
Harding
Harkness
Hees
Horner
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Edmonton West)
Laprise
La Salle
Lewis
MacDonald (Egmont)
MacEwan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
McCleave
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Mather
Moore
Muir
Nielsen
Orlikow
Paproski
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rondeau
Rose
Saltsman
Scott
Simpson
Skoberg
Southam
Stanfield
Stewart (Marquette)
Thomas (Moncton)
Thomson (Battleford-Kindersley)
Yewchuk—64.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Blouin
Borrie
Breau
Brown
Buchanan
Caccia
Cafik
Cantin
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corbin

Messrs:

Côté (Longueuil)
Crossman
Cullen
Cyr
Danson
Deachman
Douglas (Assiniboia)
Drury
Dubé
Duquet
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Givens
Goode
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Haidasz
Hellyer
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Kierans
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Macdonald (Rosedale)
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Major
Marceau
Marchand (Langelier)
Mongrain
Morison
Munro
Murphy
Noël
O'Connell
Olson
Osler
Otto
Ouellet
Pelletier
Pepin
Perrault
Portelance
Pringle
Reid
Richardson
Robinson
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Serré
Smerchanski
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
St. Pierre
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting
Yanakis—122.

Mr. Speaker: I declare the amendment lost. The question is on the main motion.

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

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Baldwin
Barnett
Bell
Benjamin
Burton
Cadieu
Carter
Coates
Crouse
Dionne
Douglas (Nanaimo-Cowichan-The Islands)
Forrestall
Fortin
Gauthier
Gilbert

Godin
Harding
Harkness
Hees
Horner
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Edmonton West)
Laprise
La Salle
Lewis
MacDonald (Egmont)
MacEwan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
McCleave
McCutcheon
McGrath
McIntosh
McKinley
McQuaid

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Blouin
Borrie
Breau
Brown
Buchanan
Caccia
Cafik
Cantin
Chappell
Chrétien
Clermont
Cobbe
Comtois

Messrs:

Mather
Moore
Muir
Nielsen
Orlikow
Paproski
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rondeau
Rose
Saltsman
Scott
Simpson
Skoberg
Southam
Stanfield
Stewart (Marquette)
Thomas (Moncton)
Thomson (Battleford-Kindersley)
Yewchuk—64.

Division

Messrs:

Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Haidasz
Hellyer
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Kierans
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Macdonald (Rosedale)
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Major
Marceau
Marchand (Langelier)
Mongrain
Morison
Munro
Murphy
Noël

Messrs:

O'Connell
Olson
Osler
Otto
Ouellet
Pelletier
Pepin
Perrault
Portelance
Pringle
Reid
Richardson
Robinson
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Serré
Smerchanski
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
St. Pierre
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting
Yanakis—122.

• (10:10 p.m.)

Mr. Speaker: I declare the motion lost. Pursuant to Special Order made earlier this day, this House stands adjourned until Monday next at two o'clock in the afternoon.

At 10.15 p.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Monday, November 23, 1970

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

EXTERNAL AFFAIRS

TABLING OF DOCUMENT ON CANADIAN AID TO EAST PAKISTAN

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I would like to table a document on the assistance Canada will contribute in connection with the cyclone and the tidal wave which have afflicted East Pakistan.

* * *

[*English*]

SOCIAL SECURITY

GUARANTEED ANNUAL INCOME—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise to ask leave of the House to make a motion under Standing Order 43, under which it is possible to do so without notice if there is urgent and pressing necessity and if there is unanimous consent—

An hon. Member: No.

An hon. Member: That is typical.

Mr. Knowles (Winnipeg North Centre): The Liberals say no before they know what it is all about.

An hon. Member: We know you.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, now that there is agreement on the part of all parties in the House to the principle of a guaranteed annual income, I feel that there is urgent and pressing necessity that this fact be reflected in the government white paper on social security that is shortly to be presented. I therefore move, seconded by the hon. member for York South (Mr. Lewis):

That this House urges the government to include in its white paper on social security, to be presented shortly, a definite provision for a guaranteed annual income for all Canadians.

Mr. Speaker: The hon. member, who knows the rules so well, has himself indicated that for this motion to be put at this time would require the unanimous consent of the House. I have to inquire whether there is universal agreement among all hon. members.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is dissent.

23568—15

Mr. Knowles (Winnipeg North Centre): Who said no?

Mr. Speaker: In the circumstances the Chair regrets that the motion cannot be put at this time.

* * *

CRIMINAL CODE

ABORTION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, under Standing Order 43 I wish to move a motion on a matter that is of urgent and pressing necessity, particularly in view of the strong stand taken on this issue at the Liberal policy convention held in Ottawa over the weekend.

Some hon. Members: Hear, hear!

Mrs. MacInnis: I am glad I have got unanimous support. This is the first time I have ever been one up on my colleague from Winnipeg North Centre. I ask leave, seconded by the hon. member for Greenwood (Mr. Brewin), to move the following motion:

That this House urges the government, at an early date, to introduce legislation to remove abortion from the Criminal Code.

Mr. Speaker: Hon. members have heard the motion. Is there agreement?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and therefore the motion cannot be put to the House at this time.

* * *

MOTOR VEHICLE SAFETY ACT

AMENDMENT RESPECTING BUMPER IMPACT STANDARD

Mr. Barry Mather (Surrey) moved for leave to introduce Bill C-197, to amend the Motor Vehicle Safety Act (bumpers).

Some hon. Members: Explain.

Mr. Mather: The purpose of this bill is to require that automobiles manufactured after January 1, 1972, and used in Canada be equipped with bumpers capable of withstanding impact into a standard barrier at five miles per hour without damage. Modest as the requirement may appear, it will mark a significant safety improvement over the protection offered motor vehicles and passengers at present by the costume jewellery type of bumpers now in use.

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

Questions

• (2:10 p.m.)

WEIGHTS AND MEASURES ACT

PROVISIONS RESPECTING UNITS OF MEASUREMENT, INSPECTION, OFFENCES, ETC.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs) moved the first reading of Bill S-5 (from the Senate), respecting weights and measures.

Motion agreed to and bill read the first time.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

PAYMENT BY TELESAT CORPORATION TO RCA LIMITED

Question No. 48—**Mr. Orlikow:**

How much did Telesat Corporation agree in June to pay RCA Limited of Montreal for the privilege of delaying the ANIK Communication Satellite decision until September and, of this amount, how much has been paid to RCA and is it intended to pay the remainder?

Hon. Eric W. Kierans (Minister of Communications): The following information has been supplied to the Minister of Communications by Telesat Canada: In consideration of RCA Limited agreeing to extend the validity of its proposal for the construction of the spacecraft beyond 1 July, 1970, Telesat Canada agreed to pay RCA Limited $3,600 per day to defray the costs incurred as a result of this extension commencing 8 June 1970. This understanding was terminated 31 July, 1970, by the Board of Directors. The amount owed to RCA Limited pursuant to this understanding is $194,400 and payment is expected to be made in the near future.

AVAILABILITY OF PUBLIC SHARE OFFERING IN TELESAT CANADA

Question No. 50—**Mr. Orlikow:**

When is it anticipated that the government will make available to the general public one-third equity participation in Telesat Canada?

Hon. Eric W. Kierans (Minister of Communications): According to Section 10 of the Telesat Canada Act, it is the Board of Directors of Telesat Canada which has the discretionary authority respecting the timing, the price and the share allotment of any public share offering, although the approval of the Governor-in-Council must be obtained. Telesat Canada officials advise that they do not foresee an immediate public share offering.

ANIK COMMUNICATION SATELLITE PROGRAM—PAYMENTS TO RCA

Question No. 54—**Mr. Orlikow:**

How much money has RCA Limited of Montreal received from the federal government and/or its agencies on matters related to the ANIK Communication Satellite Program and what was the purpose of each specific expenditure?

[Mr. Mather.]

Hon. Eric W. Kierans (Minister of Communications): In so far as the Department of Communications is concerned: The Department of Communications has paid no money to RCA Limited of Montreal on matters related to the Anik Communication Satellite Program. Since Telesat is not part of the Canadian Government, or an agency of the Government, it should be assumed that details as to payments by Telesat were not expected. However, the management of the Corporation has provided the minister with the following figures:

Program Definition Phase:	$3,500,000.
Sustaining Engineering:	360,000.
Extension of validity of RCA proposal beyond 1 July, 1970:	190,000.
Total:	$4,050,000.

In so far as the Department of Industry, Trade and Commerce is concerned: The department funded the Study Program for a Canadian Domestic Communication Satellite. The study was carried out in 1968 and RCA Limited was paid $274,347.00. The design concepts in the study were presumably the basis for the RCA's proposal of the ANIK satellite.

PUBLIC SERVICE COMMISSION—NUMBER OF EMPLOYEES RECEIVING MORE OR LESS THAN $6,000 YEARLY

Question No. 57—**Mr. Broadbent:**

1. How many women employed by the Public Service of Canada in the latest available year earned less than (a) $6,000 (b) more than $6,000 a year?

2. How many men employed by the Public Service in the latest available year earned (a) less than $6,000 (b) more than $6,000 a year?

3. How many women employed in the Public Service are ranked in the senior officer category?

4. How many men employed in the Public Service are ranked in the senior officer category?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Supply and Services and the Public Service Commission as follows: 1. (a) 2,162; (b) 1,459.

2. (a) 792; (b) 3,735.

3 and 4. As at September 30, 1970, two women and 479 men held appointments in the senior executive category.

CANADIAN CONTRIBUTION TO UNITED NATIONS FUND AND INTERNATIONAL PLANNED PARENTHOOD FEDERATION

Question No. 201—**Mrs. MacInnis:**

What is the estimated financial contribution by Canada in the current fiscal year to (a) the United Nations fund for population activities (b) the International Planned Parenthood Federation?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The answer is: (a) $1,010,000; (b) $505,000.

DVA—LONDON, ENGLAND OFFICE

Question No. 210—**Mr. Marshall:**

1. How many war veterans receiving assistance under the Pensions Act are being serviced out of the Department of Veterans Affairs office in London, England?

2. Is the DVA office in London, England being closed and, if so, for what reasons?

3 How many government employees are there in the DVA office in London, England?

4. Will alternate employment be provided for those employees and under what conditions?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): 1. There are 2,218 war veterans residing in Great Britain who are receiving a pension under the Pension Act. The only service provided by the London office to these pensioners, and to the widows and orphans of pensioners, relates to the benefits available to them under the Veterans Charter and is similar to that given by the Foreign Relations Division in Ottawa to veterans residing outside of Canada, including the United States of America.

2. The DVA office in London will be phased out gradually as the workload diminishes; however, the office will not be closed in the immediate future.

3. Eight; one classified officer and seven locally-engaged staff.

4. Arrangements affecting staff members whose positions become redundant will be discussed with them individually as the occasion arises.

BUILDING OF C.B.C. TELEVISION STATION IN AREA OF NORTH SHORE OF ST. LAWRENCE RIVER

Question No. 256—**Mr. Blouin:**

Will the government consider building a CBC television station in the area of the North Shore to extend the French and English networks across the North Shore of the Saint Lawrence River, as well as to mining cities of the hinterland and the Northern side of the Gaspé Peninsula and, if so, will the work begin in the near future?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State of Canada): The CBC recognizes the need for improving television along the North Shore of the St. Lawrence and it has plans for extending the English and French television networks in these areas. A survey of the requirements of these areas is about to be completed, but it is not possible to set a date for the introduction of these services until certain technical obstacles have been overcome.

[*English*]

INDUSTRIAL DEVELOPMENT BANK LOANS

Question No. 278—**Mr. Robinson:**

1. How many loans have been made by the Industrial Development Bank, and to what companies and/or individuals have loans been made and what was the amount of each loan?

2. What investigation is made into the background of the applicants for the loans before payment is made?

Questions

3. What guarantees are obtained against the possibility of bankruptcy of the recipient of the loan?

4. How many companies and/or individuals receiving Industrial Development Bank loans subsequently went bankrupt and how long after they received the loan did each go bankrupt and what was the amount of the loss to the Industrial Development Bank as a result of such bankruptcies?

5. Are there any personal guarantees required of the applicant against bankruptcy and, if not, are any being considered and, if not, for what reason?

Hon. E. J. Benson (Minister of Finance): In so far as the Industrial Development Bank is concerned: 1. and 4. While the IDB provides comprehensive aggregate data on its operations in its Annual Report, it has not been the practice nor is it considered appropriate to make public information concerning individual accounts.

2, 3. and 5. The IDB Act assigns to the Board of Directors the responsibility of managing the Bank. In examining loan proposals, all reasonable efforts are made to investigate the credit-worthiness of applicants to determine whether they meet the credit criteria laid down in Section 15 (1) of the Act.

DEPARTMENT OF ENERGY, MINES AND RESOURCES—CHANGE IN PERSONNEL DUE TO UTILIZATION OF COMPUTERS

Question No. 318—**Mr. Robinson:**

As a result of the use of computers by the Department of Energy, Mines and Resources, how many employees have been (a) laid off (b) hired?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): (a) None. (b) 115.

DEPARTMENT OF ENERGY, MINES AND RESOURCES—MAN-HOURS SAVED BY UTILIZATION OF COMPUTERS

Question No. 319—**Mr. Robinson:**

How many man-hours have been saved as a result of the utilization of computers by the Department of Energy, Mines and Resources during each year since computers have been used?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Records of man-hour utilization are not kept in the detail which would be required to give a precise answer to this question. In the Department of Energy, Mines and Resources, computers are utilized, largely, in support of scientific research where they improve the backup of research projects and enable scientists to undertake studies not otherwise practicable.

PUBLIC UTILITIES INCOME TAX TRANSFER ACT—PAYMENTS TO PROVINCES

Question No. 338—**Mr. Fortin:**

What amount did each province receive under the Public Utilities Income Tax Transfer Act?

Hon. E. J. Benson (Minister of Finance): In fiscal year 1969-70, the provinces received under the Public Utilities Income Tax Transfer Act, the following amounts: Newfoundland, $933,917; Prince Edward Island, $236,-

206; Nova Scotia, $1,824,116; New Brunswick, $130,632; Quebec, $3,176,119; Ontario, $8,795,404; Manitoba, $1,007,869; Saskatchewan, $31,335; Alberta, $7,037,642 and British Columbia, $477,161. The payments made in fiscal 1968-69, the first year payments were made under the authority of the aforementioned statute, appear in the Public Accounts of Canada, 1969, Vol. II, page 6.10.

NATIONAL DEFENCE—CONSTRUCTION OF HEADQUARTERS IN THE NORTH

Question No. 345—**Mr. Nielsen:**

1. Is it the intention of the government to construct a new Armed Forces Headquarters building in Yellowknife or elsewhere in the Northwest Territories and, if so (a) will public tenders be called for the construction of such a building (b) what is its purpose (c) how many personnel is it intended to accommodate?

2. Has the government caused a survey to be made of available accommodation in the Yellowknife area which may be suitable for leasing for the purpose of accommodating Armed Forces Headquarters personnel and, if so, what are the results of such survey?

Hon. Donald S. Macdonald (Minister of National Defence): 1. Yes, at Yellowknife; (a) tenders were called by Defence Construction (1951) Limited; (b) to serve as the Administration Building for Headquarters Northern Region; (c) 42.

2. Yes, however no suitable rental accommodation was found.

*INSTRUCTIONS FROM HEALTH AND WELFARE DEPARTMENT, MANITOBA TO FEDERAL DEPARTMENT THAT ALL CORRESPONDENCE BE CONDUCTED IN FRENCH

Question No. 351—**Mr. Dinsdale:**

Have instructions been received from the Department of Health and Welfare of the Province of Manitoba, that all correspondence between senior officials of that Department and the federal Department of National Health and Welfare must be conducted in French?

[*Translation*]

Mr. Gaston Isabelle (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the answer is no.

[*English*]

APPOINTMENT OF ADVISORY COMMITTEE BY SECRETARY OF STATE

Question No. 383—**Mr. Dinsdale:**

Has the Secretary of State appointed an Advisory Committee made up of cultural agency heads and, if so (a) what is its function (b) what are the names and addresses of each member (c) how many times has it met and what are the costs involved (d) what recommendations have been made by the Committee (e) which recommendations have been adopted by the government?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): An Advisory Committee composed of the heads of cultural agencies is in the process of being established.

[Mr. Benson.]

[*English*]

CANCELLATION OF PUBLICATION OF NEWSPAPERS AND PERIODICALS DUE TO INCREASE IN POSTAL RATES

Question No. 384—**Mr. Dinsdale:**

1. How many newspapers and periodicals have ceased publication since the increase of postal rates in Canada?
2. What are the names of these publications?
3. Where were they published?
4. What was their circulation in each case?

Hon. Jean-Pierre Côté (Minister without Portfolio):

1. Not known.
2. Not applicable.
3. Not known.
4. Not known.

PRIVY COUNCIL OFFICE—MAN-HOURS SAVED BY UTILIZATION OF COMPUTERS

Question No. 413—**Mr. Robinson:**

How many man-hours have been saved as a result of the utilization of computers by the Privy Council Office during each year since computers have been used?

Mr. Barney Danson (Parliamentary Secretary to Prime Minister): The Privy Council Office does not use a computer in its day to day operation. However, the Secretariat of the Constitutional Conference has a typewriter terminal provided by the Computer Services Bureau which is used for a text editing service and in the current conversion of a manual information retrieval system to a computerized operation. No records are available from which to obtain a precise estimate of the man-hours saved in these operations.

PRIVY COUNCIL OFFICE—NUMBER OF PERSONNEL LAID OFF OR HIRED DUE TO UTILIZATION OF COMPUTERS

Question No. 414—**Mr. Robinson:**

As a result of the use of computers by the Privy Council Office how many employees have been (a) laid off (b) hired?

Mr. Barney Danson (Parliamentary Secretary to Prime Minister): (a) None. (b) None.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WHEAT SUPPLIED UNDER CANADIAN INTERNATIONAL ASSISTANCE PLAN

Question No. 18—**Mr. Diefenbaker:**

1. How many bushels of wheat have been supplied under the Canadian International Assistance Plan during the past six months, and to what countries and for what amounts respectively has such assistance been given?

2. How much wheat is it planned to give by way of assistance during the next year, and to what countries and in what respective amounts?

Return tabled.

PRESENT STAFF OF THE OFFICE OF THE PRIME MINISTER

Question No. 44—**Mr. Coates:**

1. What is the present staff of the office of the Prime Minister?
2. What are the names of the people comprising the staff?
3. What are their positions and what is the salary of each?

Return tabled.

ORAL QUESTION PERIOD

NATIONAL SECURITY

PUBLIC ORDER BILL—PROVISION OF INDEPENDENT REVIEW

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister. I direct this question to him because he may not be able to be present in the House later and a favourable answer would greatly expedite the proceedings of the House. Is the Prime Minister now prepared to support a provision for an independent review in the public order bill, as has been urged upon him by the policy conference of his party?

Mr. Speaker: Order, please. Perhaps the Prime Minister might be allowed to reply at this time to the question put by the Leader of the Opposition. Nevertheless, I think I ought to bring to the attention of the House that we are somewhat anticipating the order of the day. It is my understanding that later in the day we are to consider the bill in Committee of the Whole, including the amendment to which the Leader of the Opposition has referred. On the other hand, I appreciate that this is a matter of importance, and the Prime Minister might be allowed to reply, with the consent of the House.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, does the House consent?

Some hon. Members: Oh, oh!

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I ask a supplementary question.

Some hon. Members: Oh, oh!

Mr. Woolliams: Mr. Speaker, would the Prime Minister, in order to expedite the debate, not consider supporting some amendment along the lines suggested by us in the debate last Tuesday? This is an important matter. The amendment seeks to establish review machinery. Such action would expedite the debate and would put us on all fours on this matter.

Mr. Speaker: Order, please. I respectfully suggest to the hon. member for Calgary North that this really is the kind of question that should be asked when we are in Committee of the Whole.

Mr. Lambert (Edmonton West): But the Prime Minister will not be here then.

Mr. Speaker: Order, please.

Mr. Stanfield: Mr. Speaker, might I ask the Prime Minister whether he would graciously consider answering my question?

Mr. Trudeau: If the members of his party would graciously remain silent while I answer it, Mr. Speaker.

Some hon. Members: Hear, hear!

Some hon. Members: Sh, sh-h-h!

Mr. Trudeau: It is not going to be that good. The position of this party has been that we are not trying to invade the constitutional responsibilities of the province. I noticed that the Leader of the Opposition, while in Winnipeg over the weekend, accused the government of seeking confrontation with the province of Quebec and therefore worsening the separatist situation. I noticed that the young New Democrats also accused the federal government of holding the province of Quebec in a colonial status and stated that we should not continue this overbearing position.

I submit that the amendment proposed by the opposition along the lines of establishing such a commission would precisely be doing that, seeking confrontation with the province of Quebec in a matter of its jurisdiction and, as the New Democratic Party suggests, treating the province of Quebec as a colony. The position of this government has consistently been that in matters of provincial jurisdiction such as the administration of justice, the province would not be looked upon by the federal government as a Big Brother to see whether it does its job well. The resolution adopted by the convention stated in the final part that a way must be sought to do this without infringing upon provincial autonomy. We have found no way of doing what is suggested without appearing or in fact endeavouring to oversee the province of Quebec in its rightful operations.

I must add that the Minister of Justice and I have both had communications with the authorities of Quebec. Twice today I spoke with Premier Bourassa trying to find a way in which we would at least be able to go some distance in ensuring that a statutory committee would be established to consider the application of this Act in Quebec. I must say that a way was not found. I bow to the Premier of Quebec in that he has undertaken to ensure that administration of justice under his authority is done well. As the House knows, he has set up a review commission of members of the civil liberties union to look into the abuses which might happen under the administration of that Act. I can go no further than to report to the House that if the province of Quebec does not want to consent to the statutory establishment of such a committee, it is not our intention to do so.

Some hon. Members: Hear, hear!

Mr. Stanfield: Has the Prime Minister requested the province of Quebec to establish its own independent review, Mr. Speaker? If so, has he received any assurance from that province that it will do so?

Mr. Trudeau: Yes, Mr. Speaker. I raised that question with the authorities of the province of Quebec after it was made clear that establishment by federal statute would be considered by them as an infringement. I asked if they would consider establishing such a commission. The reply was that they have such a commission now in operation, that one had already been set up. They saw no need to give it a statutory existence because they already have an ombudsman who can perform, in the event that the committee should fail, the operation of surveillance of the administration of justice.

Mr. Stanfield: Is the Prime Minister himself satisfied that the province of Quebec has provided an adequate, independent review of the exercise of the powers that this House is being asked to provide?

Mr. Trudeau: I think I can truthfully say yes, Mr. Speaker. I know personally two members of the commission which has been set up by the province of Quebec; I have already had occasion to talk to one of the members of the commission on a personal basis in the past little while and I am convinced you will not find more honourable or independent-minded people to survey, to oversee, the administration of justice in this particular case.

Mr. David MacDonald (Egmont): In light of the fact that the legislation under discussion is in contravention of Article 11 of the International Charter of Human Rights, does the government intend to consider indicating to the United Nations that we are withdrawing our support for this article of the declaration?

Mr. J. Edward Broadbent (Oshawa-Whitby): On a point of clarification, Mr. Speaker, did the Prime Minister state to the House that the Premier of Quebec made it clear to him that it would constitute an infringement of provincial rights for the federal government to establish such a commission?

Mr. Trudeau: Yes, Mr. Speaker. I do not necessarily say he used the expression "provincial rights" but he did use the expression "provincial autonomy" and spoke of the ability of the province to administer itself within its own areas of jurisdiction without big brother looking over its shoulder, and I think he was perfectly right in that contention, personally.

Mr. J. P. Nowlan (Annapolis Valley): In view of the Prime Minister's indication that because of the explanation by the Premier of Quebec he will bow to the wishes of the Minister of Justice, can this House and the country take it as a precedent that Liberal party policy as defined at a Liberal party convention is to be secondary to the wishes of a provincial premier wherever there is joint jurisdiction?

[Mr. Trudeau.]

POLLUTION

GREAT LAKES—ALLEGED VIOLATION OF BOUNDARY WATERS TREATY BY UNITED STATES—SUGGESTED WITHHOLDING OF VITAL RESOURCES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I want to direct a question to the Prime Minister arising from a statement by the Minister of Energy, Mines and Resources to the effect that the United States has violated the Boundary Waters Treaty of 1909 by its pollution of the Great Lakes. In view of this violation of Article 4 of the Boundary Waters Treaty, what action does the Canadian government propose to take?

Right Hon. P. E. Trudeau (Prime Minister): I was not aware of that statement before it was made. I will consult with the minister and ask him what he has in mind in terms of follow-up.

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I ask the Prime Minister whether it is the government's intention to move under Article 10 of the treaty or under Article 45 of the Hague Convention to deal with this matter before pollution reaches a stage where protest will be of very little value?

Mr. Trudeau: I will take the hon. member's plea to the minister and ask him to report to me on it.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A further supplementary question, Mr. Speaker. I want to ask the Prime Minister about a similar statement made by the Minister of Fisheries and Forestry in New York to the effect that Canada would be prepared to withhold vital resources from the United States if the United States does not deal with the question of Great Lakes pollution. May I ask whether this was a statement of government policy?

Mr. Trudeau: I have not heard of that statement, Mr. Speaker. If he has been accurately quoted I think the minister will have to indicate to the House and to the government how he intends seeing this happen. I am not aware that the minister made a statement in those terms.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

ALLEGED INVITATION TO FRANÇOIS GIROD

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Secretary of State.

Can he tell the House whether the CBC has sent an invitation, as it usually does in similar cases, to François Girod who has just made an inflammatory statement in Algeria with regard to the FLQ?

Hon. Gérard Pelletier (Secretary of State): I could inquire, Mr. Speaker. I am not aware of any such invitation, but I shall ask the CBC whether an invitation was extended.

Mr. Laprise: Mr. Speaker, I would like to put a supplementary question to the Minister of Justice.

Will there be police supervision over the visit of François Girod to Canada and will this man be declared a member of the FLQ as soon as he enters the country?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I think this comes under the jurisdiction of the Minister of Manpower and Immigration or the Solicitor General.

* * *

[*English*]

NATIONAL SECURITY

AVAILABILITY OF WEAPONS—PASSING OF ORDER IN COUNCIL

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask a question of the Minister of Justice. On November 9, 10 and 12 I asked the Minister of Justice a question with reference to restricted and prohibited weapons and whether the necessary proclamation had been made in accordance with section 82 of the Criminal Code prohibiting these types of weapons and stopping their sale to kidnappers and gangsters.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, the problem about the type of weapon to which the hon. member referred at that time and to which I take it he refers now, the 30M-1, is that the rifle is, first of all, definitely semi-automatic and not a machine gun. It is not currently prohibited or restricted; in other words, it can be bought and sold quite lawfully and without the necessity of any kind of permit. The Governor in Council may add to the list of prohibited and restricted weapons by virtue of the legislation that this Parliament passed a year or so ago if the weapon concerned is not a shotgun or rifle of a kind commonly used in Canada for hunting or sporting purposes. At the moment I have no definite information whether the M-1 that I have described above is so used. In any event, consideration of what further weapons should be prohibited or restricted is a primary responsibility of my colleague the Solicitor General, who is in the course of seeking advice from the RCMP in order that if necessary, and if appropriate, recommendations can be made to cabinet.

Mr. Woolliams: I take it from the answer of the Minister of Justice that there is no proclamation at the present time forbidding the sale of these weapons. In view of the fact that a newspaperman walked into a war surplus store even after I put these questions to the Minister of Justice and purchased the kind of weapons that were used in the kidnappings, would the minister or the Solicitor General now assure the House that action will be taken immediately, since these were the type of weapons used in the kidnapping?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, in view of the additional information now given I would be very glad to press the examination of this subject.

Inquiries of the Ministry

POLLUTION

GREAT LAKES—ALLEGED VIOLATION OF BOUNDARY WATERS TREATY BY UNITED STATES—SUBMISSION TO INTERNATIONAL COURT OF JUSTICE

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the right hon. Prime Minister. In view of the allegation by the Minister of Energy, Mines and Resources at Burlington that the United States is in violation of the Boundary Waters Treaty in dumping pollutants into the Great Lakes, is the government proposing to take this matter to the International Court of Justice or some other international tribunal?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I take it that ministers who make this kind of statement have some idea of how they are going to follow up on it, and I will ask the minister how he intends to follow it up.

Mr. Aiken: In view of the numerous speeches that have been made by several ministers, does the government intend to take a firm stand on pollution at the United States-Canada ministerial conference, or are we merely going to shout at them like small boys?

* * *

CANADIAN BROADCASTING CORPORATION

PROPOSED DIVISION OF RADIO SERVICE

Mr. Barry Mather (Surrey): Mr. Speaker, I have a question for the Secretary of State. Having in mind the announcement by the Canadian Broadcasting Corporation over the weekend that it intends to divide its radio service and seemingly its listeners too into two parts, AM and FM, and to add new stations throughout the country, can the Secretary of State say whether he was apprised of this decision and, if so, whether he approved of it?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): No, Mr. Speaker, I learned of that decision through the newspapers just like everybody else. I have already received representations against that decision and I have communicated them to the Corporation as I will convey those implied in the hon. member's question.

[*English*]

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a supplementary question for the Secretary of State. In view of the fact that he is scheduled to appear before the Miscellaneous Estimates Committee tomorrow morning at 9.30, could he obtain from the corporation a breakdown of how this new policy is to be applied across Canada and the priorities in allocation of funds between development and expansion of the one good part of the CBC, the radio service, and funds for bilingual stations and/or complete TV coverage across Canada?

[*Translation*]

Mr. Pelletier: I will do the utmost to secure that answer by tomorrow morning, Mr. Speaker, but I cannot promise it. I have the impression that a comprehensive study will have to be undertaken, if all the facts involved are to be taken into consideration.

[*English*]

ARREST OF CERTAIN NEWS BROADCASTERS UNDER WAR MEASURES ACT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I hope that the Secretary of State is now in a position to give an answer to a question I have asked over the past ten days about three members of Radio-Canada who were taken into custody and regarding whom it was said by the Minister of Regional Economic Expansion that they had a code system whereby they were able to communicate with the FLQ.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Once again I must deceive the expectations of the right hon. member, Mr. Speaker.

[*English*]

Mr. Diefenbaker: Mr. Speaker, the impertinence of the hon. gentleman is exceeded only by his ignorance of the question.

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[*Translation*]

NATIONAL SECURITY

ALLEGED INEFFICIENCY OF POLICE INVESTIGATION METHODS—SUGGESTED USE OF RCMP TRACKING DOGS

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the Solicitor General. Since the poor results achieved by the Quebec police forces in their search for the kidnappers of Messrs. Cross and Laporte have established the incompetence of police officers in that province, would the Solicitor General say whether he has considered lending them the RCMP police dogs?

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[*English*]

CANADIAN BROADCASTING CORPORATION

PERFORMANCE OF ILLEGAL ABORTION IN PROGRAM "WEEKEND"

Mr. Jean-R. Roy (Timmins): Mr. Speaker, my question is addressed to the Secretary of State. Following last night's CBC "Weekend" program and because of the insignificant answers Members of Parliament receive from the CBC to their letters, would the minister make an inquiry and report to the House whether the performers in a criminal illegal abortion shown on the program were paid for their performance, second if next week's proposed opinion poll report is meant to influence rather than report public opinion and, finally, if the purpose of all this is justifiable or the usual CBC effort to increase ratings by offending a large segment of the Canadian viewers?

Some hon. Members: Hear, hear!

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COMBINES

SUGGESTED INVESTIGATION OF SO-CALLED PRICE WAR AMONG GROCERY CHAINS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. Will he instruct the officials of the Combines Investigations Branch of his department to investigate thoroughly all aspects of the so-called price war presently being carried on by several major grocery chains?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am not sure what particular aspects the hon. member is concerned about. We would investigate any apparent violation of the law, of course.

Mr. Nesbitt: Mr. Speaker, will the minister in particular investigate the degree of control which permits chain stores to charge 10 per cent more on numerous items in small cities compared with what they charge in large cities only 15 or 20 miles away, and will the minister request the officials of the branch to investigate the possibility that some of the major chains may be trying to force a number of small businesses in small towns out of business by this so-called discount war?

Mr. Basford: I am not sure whether the hon. member is urging me to implement some form of price control.

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REGIONAL ECONOMIC EXPANSION

CHANGE IN PROGRAM IN LIGHT OF RESOLUTIONS PASSED BY LIBERAL POLICY CONFERENCE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Can Parliament and the country now anticipate a change in the government's regional development program as a consequence of the resolutions passed by the Liberal conference?

Mr. Knowles (Winnipeg North Centre): No.

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I believe that we have very efficient programs which we intend to improve further. We are very seriously considering the recommendations made at the Liberal conference.

[*English*]

CRIMINAL CODE

SUGGESTED REMOVAL OF ABORTION PROVISIONS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the right hon. Prime Minister. In view of the fact that delegates to the recent Liberal policy conference voted by more than four to one in favour of removing abortion from the Criminal Code, will the Prime Minister now be guided by that democratic decision of his party and submit such legislation to Parliament this session?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have already stated in the Speech from the Throne what we will do this session.

Mrs. MacInnis: Mr. Speaker, may I ask the Prime Minister what the purpose of such a debate as that promised would be?

Mr. Speaker: Order, please.

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TRANSPORT

HALIFAX—REPORTED INADEQUACY OF CONTAINER TERMINAL PIER AND TUGBOAT SERVICES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I regret the absence of the Minister of Transport but I understand this is not his day to be here. In his absence may I direct a couple of fairly serious questions to the Parliamentary Secretary or to the Acting Minister. In light of the very serious charges made by the President of the Atlantic Container Line Limited in respect of the adequacy of the container terminal at Halifax, would the minister institute an immediate investigation to determine, first, the adequacy of the pier itself, second, the adequacy of the tugboat services and, finally, whether the port of Halifax and the users of the container service, which just started this weekend, are about to undergo a loss of business as a result of what appears to be poor planning?

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I would like to tell the hon. member that the minister is very well aware of this situation. He has requested that a survey be conducted immediately and he will probably be able to answer the hon. member's question tomorrow or within a few days.

[*English*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a supplementary question to the Minister of Public Works. Are there any plans under way to construct additional protection in Halifax harbour for the new container pier in order to prevent danger or difficulties for ships in stormy weather?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, a very great investment has been made in the harbour itself, I think something in the nature of $15 million. There is some suggestion now that in order to protect that investment we may have to put in another $2 million to fend off rough water.

Mr. Stanfield: Has any decision been made in this regard or can the minister indicate that a decision will be made shortly?

Mr. Laing: No, Mr. Speaker, no decision has been taken yet. I assume that the decision will depend upon experiences such as we are having with the first vessel.

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SOCIAL SECURITY

CONSIDERATION IN WHITE PAPER OF DISPARITY BETWEEN URBAN AND RURAL INCOMES

Mr. Maurice Foster (Algoma): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the fact that the third report of the Canadian Council on Rural Development, which has just been published, indicates that the disparity between urban and rural incomes is increasing, can the minister say whether the forthcoming white paper on social security will deal with this problem?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, the over-all incomes position of those people in a low-income situation with be reviewed.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, following the rather intensive discussions over the weekend, is the minister now in a position to tell the House with some degree of precision when the white paper on welfare policy will be tabled in the House?

Mr. Knowles (Winnipeg North Centre): Soon.

Mr. Munro: As the Prime Minister indicated, Mr. Speaker, we expect to have it tabled very soon indeed. I cannot give the precise date at this time.

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PUBLIC WORKS

ATLANTIC PROVINCES—SUGGESTED BUILDING OF WHARVES TO ALLEVIATE UNEMPLOYMENT

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, this question is for the Minister of Public Works. In order to stimulate employment this winter, particularly in the Atlantic area, would his department accelerate the building of wharves which are badly needed as this work would alleviate unemployment this winter?

Mr. Speaker: It would seem to me that the hon. member's question is in the form of a submission or representation to the government. He must assume that his submission has been taken into account.

Inquiries of the Ministry

CANADIAN PACIFIC RAILWAY

REMOVAL OF HEAD-END TRAINMEN FROM PASSENGER TRAINS—IMPLEMENTATION OF ARBITRATOR'S DECISION

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a question to the Minister of Labour. Is the minister aware of a recent decision of an arbitrator giving Canadian Pacific Railway the immediate right to remove head-end trainmen from passenger trains without regard for the age or length of service of the men involved? If he is aware of this, would the minister or one of his officials enter into discussions with the CPR to persuade the company to implement the arbitrator's decision in such a way as to avoid hardship among long-service employees?

Hon. Bryce Mackasey (Minister of Labour): Yes, Mr. Speaker. The hon. member's request is a very moderate one. I have already taken steps to ask for a full report on the situation, the basis upon which the arbitration decision was made and what, if anything, can be done to make the decision effective in a more humanitarian way than the report indicates could be the case.

Mr. Lewis: Mr. Speaker, I am grateful to the minister for having given consideration to this matter already. May I ask him whether he would inform the House or otherwise make public as soon as possible what steps he is taking to achieve that purpose?

Mr. Mackasey: Mr. Speaker, before I commit myself to anything I want to see the report I have asked for this morning from my officials.

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FINANCE

REQUEST FOR GRANT TO BUILD EDMONTON OMNIPLEX

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I had intended to direct my question to the Minister of Finance but since he is not here I shall direct it to the Parliamentary Secretary to the Minister of Finance. First I should like to congratulate the former general manager of the Calgary Football Club on their wonderful victory.

Some hon. Members: Hear, hear!

Mr. Paproski: I also wish him well in the Grey Cup.

Some hon. Members: Oh, oh!

Mr. Paproski: I should like to ask the Parliamentary Secretary to the Minister of Finance to show his influence and enlighten his colleagues so that Edmonton will obtain a substantial grant to help it build the first enclosed coliseum, after the inclement weather we saw yesterday on television.

Mr. Speaker: Again, this question is in the form of a representation and the hon. member must assume that it will be taken into account.

[Mr. Speaker.]

REGIONAL ECONOMIC EXPANSION

CORNWALL—SUGGESTED NAMING AS DESIGNATED AREA

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. It has to do with a subject which has been discussed before, namely, the serious and overwhelming unemployment situation in the city of Cornwall. The other day the minister said that some public works would be proceeded with. The people there tell me that this will not provide the employment required. Considering all the circumstances, has a decision been arrived at yet whereby this very needy city will be named as a designated area so that industry may be encouraged to locate there?

Mr. Speaker: Order, please. I have expressed my view before that questions of this nature referring to individual cities are not in order. The question, therefore, is not in order.

Mr. Diefenbaker: Then, Mr. Speaker, without specifically mentioning Cornwall, since other areas in Canada where unemployment is as high as it is in Cornwall have been designated, may I ask why those cities have been designated and Cornwall has been left out?

Mr. Speaker: Order, please.

* * *

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Gaston Isabelle (Hull): Mr. Speaker, I have a question for the Prime Minister.

Would he tell the House if those so called great protectors, the Montreal labour unionists and intellectuals, have made any appeal to him in favour of Mr. Paul Cliche's sacred right to freedom of speech within FRAP?

* * *

AIRPORTS

STE. SCHOLASTIQUE—AGREEMENT BETWEEN FEDERAL GOVERNMENT AND QUEBEC RESPECTING ACCESS ROADS

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to direct a question to the Minister of Regional Economic Expansion.

As two important contracts have been awarded by the government regarding the Ste. Scholastique airport could I ask the minister if definite agreements have been concluded between Quebec and Ottawa regarding the development of access roads in connection with the Ste. Scholastique project?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Not yet, Mr. Speaker.

Mr. La Salle: I should like to ask a supplementary question, Mr. Speaker.

Can the minister say whether the establishment of special zones will be announced in the near future in view of the road works which will be undertaken in connection with the Ste. Scholastique project?

Mr. Marchand (Langelier): We are almost constantly in contact with the province of Quebec on that matter, Mr. Speaker, and we hope to be able to announce—

Mr. Speaker: Order.

* * *

[*English*]

PENITENTIARIES

REQUESTED REFERENCE OF ANNUAL REPORT TO COMMITTEE ON JUSTICE AND LEGAL AFFAIRS

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Solicitor General. Would the minister consider referring the annual report of the Penitentiaries Branch to the Standing Committee on Justice and Legal Affairs so that the committee may continue its visits to the penitentiaries across the country in order that we may be better informed in this matter?

Hon. G. J. McIlraith (Solicitor General): Yes, Mr. Speaker, I would be very glad to make such a recommendation.

* * *

NATIONAL DEFENCE

PROPOSED EXTENSION OF COLLECTIVE BARGAINING TO CANADIAN ARMED FORCES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Prime Minister. If he deems it proper, I wonder if he would advise us whether he has replied to the president of the Public Service Alliance of Canada, Mr. Edwards, with regard to amendments to the Public Service Staff Relations Act which would have the effect of extending collective bargaining to the Canadian Armed Forces? If so, would he indicate the nature of his reply?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I have not yet answered this letter. Perhaps an acknowledgement has been sent, but a substantive answer has not yet been sent.

* * *

LABOUR CONDITIONS

ROLE OF WORKERS IN DECISION-MAKING

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Labour. Could the minister inform the House whether or not the Minister of Regional Economic Expansion was stating government policy on the weekend when he argued against the view that working people in Canada should be given effective authority in areas of decision-making hitherto regarded as the prerogative of management only?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I think the hon. member should—

Mr. Speaker: Order, please. The hon. member knows the question cannot be placed in those terms.

Inquiries of the Ministry

[*Translation*]

HOUSE OF COMMONS

BILINGUALISM—PAYMENT OF BONUS TO PROTECTIVE STAFF MEMBERS

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to direct a question to the Prime Minister.

Since bilingual employees of the Public Service and bilingual secretaries of Parliament benefit from a 7 per cent premium for being bilingual, could the Prime Minister, as the great defender of this cause in Canada, tell us why the bilingual members of the Protective Staff are not granted this premium?

Mr. Speaker: The hon. member knows that the employees he refers to come under the House of Commons. The question must therefore be directed to Parliament, through the Chair.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

REQUEST FOR IMMEDIATE CONSIDERATION OF ESTIMATES BY STANDING COMMITTEE

Mr. Ralph Stewart (Cochrane): Mr. Speaker, I have a question for the Secretary of State. In view of the scandalous presentation on television last night of an abortion, would the Secretary of State consider bringing all the estimates of the CBC before the Standing Committee on Broadcasting, Films and Assistance to the Arts immediately.

Some hon. Members: Hear, hear.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am willing to consider this proposal, Mr. Speaker, but I do not have the authority required to take, by myself, the action requested by the hon. member.

* * *

[*English*]

INQUIRY OF THE MINISTRY

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister responsible for Information Canada. In view of the continuing anxiety of disadvantaged Canadians to learn dates of introduction of legislation on veterans pensions and social security, and in view of the difficulty in extracting these answers, would he use his influence to get this information and pass it along through his new department to the many Canadians in need?

Mr. Speaker: Order, please.

Inquiries of the Ministry

CANADIAN BROADCASTING CORPORATION

REPORTED STATEMENT BY MINISTER OF REGIONAL ECONOMIC EXPANSION ALLEGING FLQ CONTROL

Mr. David Lewis (York South): Mr. Speaker, I wish to address a question to the Minister of Regional Economic Expansion. Last Tuesday in the absence of the minister I asked a question of another minister arising out of a report of a speech he is alleged to have made in St. Jerome a week ago yesterday in which he is reported to have said that Radio-Canada was being controlled by the FLQ. I should like to ask the minister to inform the House whether he made such a statement and, if he did, whether he has presented the evidence of that statement—

Mr. Speaker: Order, please. The hon. member for York South is aware, I believe, of the rule regarding questions related to statements made outside the House.

Mr. Lewis: I am sorry, Mr. Speaker. May I ask the minister whether he has evidence that the CBC or Radio-Canada was under the control of the FLQ or FLQ sympathizers and, if he has such evidence, did he present it either to the Solicitor General of Canada or the Attorney General of Quebec?

Mr. Speaker: Order, please. The hon. member may ask questions of the minister relating only to his ministerial responsibility. A question in those terms directed to the minister in question is not in order.

Mr. Lewis: May I rephrase it again, Mr. Speaker. Assuming that the minister was reported correctly—he may not have been—he has made a serious allegation, so may I ask the first part of my question as to whether the minister has evidence or information to justify his statement that Radio-Canada was controlled by members or supporters of the FLQ?

Mr. Speaker: I certainly do not want to appear obstructive, but again the hon. member knows he cannot ask the question in this way. Perhaps he can ask the question directly of the Secretary of State as to whether he has such evidence.

Mr. Lewis: Mr. Speaker, obviously I have to bow to your order—

Mr. Gibson: Get bowing.

Mr. Lewis: —but when a minister of the Crown is reported to have made so serious a statement I thought he ought to have the opportunity to say whether he made it or not. May I then ask the Prime Minister the same question I asked him a week ago and, if I remember correctly, I asked it of the Minister of Justice too. I asked whether he knew that the Minister of Regional Economic Expansion is reported to have made such a statement and, if my memory serves me right, the Prime Minister said he would inquire. May I now ask him if he has inquired whether the minister made such a statement, and if he is satisfied there is evidence to that effect?

[Mr. Speaker.]

Right Hon. P. E. Trudeau (Prime Minister): I understand from the minister he has not made such a statement, Mr. Speaker.

[*Translation*]

ESTABLISHMENT OF ROYAL COMMISSION TO STUDY ATTITUDE FOLLOWING RECENT EVENTS IN QUEBEC

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to direct a question to the hon. Secretary of State.

I would like to ask him whether his department is considering the appointment of a royal commission on the actions and attitudes of the CBC during the recent crisis in Quebec.

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, the suggestion has been made many times, I think, to the CRTC which has every authority under Section 15 of the Broadcasting Act to conduct any investigation it deems appropriate in respect of broadcasting, both public and private.

Mr. Fortin: Mr. Speaker, I wish to direct a supplementary question to the hon. minister.

Has he himself made any representations on behalf of the members who had already made them to the CRTC, so that the undertaking of such an investigation can be considered and ordered as soon as possible?

Mr. Pelletier: Mr. Speaker, I have had conversations in this respect with the chairman of the CRTC.

* * *

[*English*]

INFORMATION CANADA

INFORMATION ON SUBJECTS UNDER SURVEY

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the minister in charge of Information Canada. Would the minister make available to the House all the subjects which Information "In" has now under survey in Canada, such as the one regarding blind allowances that was announced by one of his departmental chiefs the other day?

Hon. Robert Stanbury (Minister without Portfolio): I will be glad to do that, Mr. Speaker. I also appreciate the question previously directed to me, but while we can give a great deal of information about bills that exist, we can give none about bills that do not yet exist.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, when the minister is doing that will he also prepare a script or something of that sort to show, for his own convenience, where the resolutions adopted by his party's convention differ from the stands taken by the Prime Minister?

Mr. Speaker: Order, please. Orders of the day.

GOVERNMENT ORDERS

PUBLIC ORDER (TEMPORARY MEASURES) ACT, 1970

PROVISION OF EMERGENCY POWERS FOR PRESERVATION OF PUBLIC ORDER

The House resumed from Tuesday, November 17, consideration in committee of Bill C-181, to provide temporary emergency powers for the preservation of public order in Canada—Mr. Turner (Ottawa-Carleton)—Mr. Laniel in the Chair.

The Deputy Chairman: Order, please. When the committee rose on Tuesday, November 17, 1970, a motion by the hon. member for Calgary North to insert a new clause 15 in the bill was under consideration. The text of the proposed clause will be found at page 1261 of Tuesday's *Hansard*. Shall the motion carry?

Mr. Baldwin: Mr. Chairman, in light of what the Prime Minister said today in response to questions from the Leader of the Opposition, the hon. member for Calgary North and others, I think we have to review this situation because in my view the Prime Minister has misinformed the House as to what the issue really is. There is no question at all about the distribution of powers between the provinces and the federal government with regard to civil law. That is set out very clearly. Section 91(27) of the B.N.A. Act provides that the federal government shall have jurisdiction in respect of:

> The criminal law, except the constitution of courts of Criminal Jurisdiction, but including the procedure in criminal matters.

The Deputy Chairman: Order, please. I regret to interrupt the hon. member but I would like to remind hon. members that they should hold their private conversations outside the chamber so that other interested members might listen to the remarks of the hon. member for Peace River.

Mr. Baldwin: I quite agree with you, Mr. Chairman. I assumed that a great many members thought they were still in the more jovial circumstances of yesterday and the day before.

There is that clear and precise definition of the jurisdiction of the federal government. For a great many years, the Criminal Code of this country has made it absolutely clear that questions with regard to bail lie exclusively under the jurisdiction of the federal government. There are a number of sections, from section 463 on of the Criminal Code, which constitute a code dealing with this issue of bail. On this issue of bail, as is proper, jurisdiction has been given by the federal government to the courts and to a judge. What the Prime Minister said today, and what the Minister of Justice said previously, in my view indicates that there is a cowardly skulking behind a misinterpretation of the constitution. That is the situation, nothing more and nothing less.

Certainly, in so far as this bill we are now dealing with creates new criminal offences, the Prime Minister is absolutely right. The procedure in connection with the administration of justice lies within the hands of the provincial government, and under the special aegis of the provincial attorney general. So it does, Mr. Chairman, with regard to the question of arresting without warrant. But every one of the problems posed by this new legislation, every one of the remedies sought by this party for the purpose of trying to provide some form of safeguard, ultimately comes back to the question of bail.

When the federal Parliament presumes by this bill to take away from the courts and put in the hands of a provincial attorney general the right to say whether or not bail shall be granted, which is the total effect of the provisions I am referring to, it is not proper. In fact, it is wrong for the Prime Minister and for the Minister of Justice to say that this is a matter which lies squarely within the jurisdiction of the provincial attorney general. He is given that extraordinary power because it has been taken away from the courts. This amendment proposed by the hon. member for Calgary North asks, if you take this extraordinary step of depriving courts and judges of the right of deciding whether or not bail shall be granted and give that power to the attorney general of the province, then why not have a means for reviewing that procedure? That is all we are asking.

• (3:00 p.m.)

I suggest that the statements made by the Prime Minister and the Minister of Justice bear no resemblance to the facts and no resemblance to the law. The Liberal convention was a little wiser than they in urging this sort of review process in respect of bail. That is the essence of one of the great contributions to criminal law in this country and the United Kingdom, the right of a person charged with an offence and detained in custody to go to court and seek bail. He is brought before a J.P. or a supreme or county court judge; the question of bail is argued and the attorney general, through his agent, is a party to the proceedings. The attorney general can argue against bail because of the nature of the offence or, if bail is to be fixed, he can ask that it be in an amount large enough to ensure the appearance of the accused at the time of trial.

This government wants to take this right away from the courts and put it in the hands of the attorney general. To say that this is the constitutional right of the attorney general under the British North America Act is absolute drivel, Mr. Chairman. The Minister of Justice knows that and so does the Prime Minister, or they should know it.

All we are asking is that the kind of safeguard in respect of the granting of bail which, since time immemorial, has been intertwined with the principles of criminal law in this country, be maintained. I can only assume, by reason of their obstinacy and obduracy, that this government long ago entered into a secret covenant with the province of Quebec not to change this bill one iota. This is the only inference I can draw from this refusal to agree to this very reasonable proposal.

Mr. Brewin: Mr. Chairman, my colleague and friend, the hon. member for York South, has already indicated the approval of this party for the amendment before us. The Prime Minister's remarks in answer to a question

from the Leader of the Opposition today clearly require something of an answer.

In effect, the Prime Minister has told this House that the government is not going to give effect to a resolution of the convention of his party which voted in favour of the creation of an independent review tribunal to serve as a check against abuses of power under this legislation. I suggest the resolution represented the grass roots view of the people of this country, and it gave support to what this party as well as the official opposition has been saying in this House during the last week. I believe it was evidence of the very deep concern of the people of Canada that the legislation introduced to meet the emergency caused by FLQ activities should not be unintentionally abused or misused in such a manner as to cause injustice to innocent citizens.

What is the excuse offered by the Prime Minister today? It is that there is some constitutional or other reason concerned with the relations between federal and provincial governments which makes it impossible to take this very small step to make sure that injustices are not consequent upon this legislation. The Prime Minister has a deserved reputation as an expert in the field of constitutional law. I join with the hon. member for Peace River in saying that in this particular case this is constitutional drivel. If the Prime Minister derived his opinion from the alleged view of the Prime Minister of Quebec, then in so doing I think he abandoned a matter of proper federal concern.

It is this act and this Parliament which has created a series of new and very sensitive offences, offences of a political nature, affecting the welfare of Canada as a whole. To suggest that there is something wrong in this Parliament, when it creates these new and sensitive political offences, saying "we want to take action to provide some sort of remedy against the abuse of these powers because by so doing we are interfering with some provincial jurisdiction", is to fly in the face of the realities and the facts. There is nothing new in this. When this Parliament passed the Narcotics Act, the whole administration in the field of narcotics was given to Royal Canadian Mounted Police officers appointed by a force under the jurisdiction of this Parliament. So, this proposal is not an insult to the people of Quebec; it is a recognition of a sensitive field.

The Prime Minister and the Minister of Justice are fully aware of the fact that time and again the Supreme Court of Canada has ruled that political rights are federal in nature and not a provincial concern at all. Case after case, many emanating from the province of Quebec, draws a clear distinction between civil rights, which are of a provincial nature, and political rights which are rights of the citizens and all people of Canada.
to protect those rights against any invasion that may flow

It is because this amendment seeks to protect the rights of the citizens of Canada that this Parliament clearly has the jurisdiction to approve it. This Parliament has created offences involving great dangers to the political and a constitutional right, and indeed a duty and obligation, fundamental rights of all Canadians; this Parliament has

[Mr. Brewin.]

from the application of this bill. I say to the Prime Minister that he is guilty of a too ready acceptance of the proposition apparently made by the Prime Minister of Quebec.

Parliament has the authority to do what is asked in this resolution, and Parliament would be neglectful of its duty if it failed to do so. Any such flimsy constitutional pretext as that advanced by the Prime Minister and the Minister of Justice is no justification for failure or abnegation of our duty as Parliament.

Mr. Diefenbaker: Mr. Chairman, we are dealing with the rights of the individual under the provision of this bill. If it becomes law, fundamental freedoms could be interfered with to a degree that was never contemplated except in time of war. When the Bill of Rights was before the House of Commons, members of the Liberal party presented their views. I do not have here quotations to indicate the attitude taken by the then leader of the opposition and afterwards prime minister, the Right Hon. Lester Pearson, nor of the Liberal leader in the Senate today, the Hon. Paul Martin both of whom contended that the Bill of Rights was vacuous and of no consequence. They said that it could not be other than a pious declaration of rights. Indeed, if I had the adjectival capacity that they possess I could nearly fill a book with synonyms in respect of the view they were expressing. They ridiculed it and said it was simply for show.

Apparently the liberalism of that day has not altered because recently, when the Drybones case was argued in the Supreme Court of Canada, the law officers of the Crown appointed by the Minister of Justice fought bitterly against the Bill of Rights being accepted as an effective instrument for the protection of individual rights. They fought the Bill of Rights. They opposed it over and over again. That was a strange attitude for members of a so-called Liberal government to have taken before the Supreme Court of Canada. However, the Supreme Court of Canada did not accept those arguments advanced by counsel representing the government of Canada. Yet in this legislation the government is preventing the Bill of Rights from being operative so long as this legislation is in effect.

• (3:10 p.m.)

Over and over again the Minister of Justice said, and he repeated this the other day as I listened to him in one of his television appearances, that the rights of the individual are not being unnecessarily abrogated or interfered with. Unlike the Prime Minister who, after having supported the concept of Civil liberties over the years, today brushed aside any suggestion that individual's rights should be preserved with a so-called constitutional argument which was completely specious, I find the Minister of Justice, as a recent convert to this principle, to be in a most difficult position. This is especially true when he argues a case that is not very strong. It is never difficult to know his feelings, on the basis of what one sees and hears. Knowing his position is weak, he has attempted to argue the unarguable. This was an amazing attitude to take.

After all, this Liberal convention met. I do not know how many hundred resolutions they moved. I can only conclude that, for them, participatory democracy means the right to express their opinion but not the right to have those matters which the majority of the convention supported accepted by the Liberal government of the day. It is an interesting attitude. Apparently those people did not understand what they were doing. The majority who voted were blind. They did not realize that a commission of the nature suggested by the hon. member for Calgary North is wrong and unconstitutional. Well, 492 advanced intellectuals who sat at the feet of Gamaliel, the Prime Minister of Canada, and placed this matter before the convention in an objective way, took the stand that action should be taken along lines suggested by the hon. member for Calgary North.

Did they not know what they were talking about? Did they lack intelligence? Why was it that the members of the Liberal party in the House of Commons turned out as a phalanx to argue against the amendment that was suggested and finally passed? It was interesting to read what took place there. I was impressed by many of the arguments advanced. I must say that the Minister without Portfolio in charge of Information Canada ought to give consideration to what the Liberal leader in Manitoba said. Mr. Asper, who spoke with asperity, said the whole concept of the just society was a farce.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: In effect he said, "Where, oh where has the just society gone?". If Information Canada would just let Mr. Asper sing the song, "Where, oh where, has the just society gone," it would be a top ranking record and would be popular in all parts of Canada.

Some hon. Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: And where has it gone? Sir, I speak with the utmost seriousness. I have followed the course taken by the Attorney General and the Minister of Justice of the province of Quebec. It represents his interpretation of a law passed by the government of Canada, or a law brought about by the promulgation of the War Measures Act.

An hon. Member: You were not speaking to him?

Mr. Diefenbaker: No. I have to find somebody I can understand.

Some hon Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: The Minister of Justice of the province of Quebec has shown an attitude with regard to this matter that is not in keeping with the position he occupies as custodian of the Queen's conscience, law and justice in his province. He indicates that he wants power, absolute power, unchallengeable power. I suggest that Lord Acton's maxim is just as true today as it has ever been, that power corrupts and absolute power corrupts absolutely. That is what has happened here.

What right has the government of the province of Quebec to say to this Parliament, "You shall not look after the interest of the freedom of the individual; we have that responsibility." The hon. member for Peace River set out that situation in respect of this bill. To deny an individual the opportunity of applying for bail is the most serious denial of the individual's rights, whoever he is and whatever crime he is alleged to have committed. As I see it, no province can endeavour to say to this Parliament, which has the responsibility of passing this law, "We do not want any safeguards placed around those who are unfairly treated or who claim that an injustice has been done."

Those Liberals who voted on this matter apparently said this view is not acceptable. At that Liberal get-together the proposition was advanced that if a person against whom there is no evidence has been taken into custody and thereby suffered the indignity of arrest and the denial of freedom, he should be entitled to compensation. This party has recommended that. The Liberals who met recommended that very step, which means that they accepted the view that many who are being picked up are guiltless but will for all time to come bear the stigma of having been taken into custody, however innocent they may have been.

Mr. Woolliams: The vote was 841 to 49.

Mr. Diefenbaker: In that connection the vote was 841 to 49, overwhelmingly in favour of action along that line being taken. Are we going to allow the current Minister of Justice of the province of Quebec to say to us, whose law he is relying on, "You shall not have any right to determine how the rights of the individual shall be protected." That is a proposition that has no constitutional merit whatsoever.

Now the Prime Minister has said that nothing is going to be done. When he says nothing is going to be done, it is never done. You know, he believes in his own form of securing the opinions of those who sit behind him. He goes to each of them and says, "Whenever I want your opinion I will ask for it, and give you the answer." That is the situation now. He says, "I will give you my opinion so you will be in a position to give an opinion". By what he said earlier today, he has denied the House the right to do that for which it has a constitutional responsibility, as pointed out by the hon. member for Peace River. It is impossible to justify the course being taken by the government. It is far removed from the days when the right hon. gentleman was a cornerstone for the preservation of civil liberties, not only in the province of Quebec but across this country. When he gives his *ipse dixit* it is final and absolute. Even so, I like to think there are members of the government who are prepared to think for themselves about a matter that deserves their thought and consideration rather than following the course of the right hon. leader who, when criticized, invariably

finds it necessary to leave the chamber. That is the reason Parliament has become a shadow and a caricature.

• (3:20 p.m.)

When the Prime Minister says, "This is what we are going to do", the Minister of Justice says, "Me too". All the government members with one accord applaud the decision, regardless of whether it is in keeping with their own views on civil liberties or on other matters. There is no use making an appeal any more because we face a solid membership in the government.

Mr. Gibson: Hear, hear.

Mr. Diefenbaker: I knew that the hon. member for Hamilton-Wentworth, for whom I have always held a tremendous respect, would immediately applaud. I wonder how far the government will have to go in carrying out those things that are unacceptable to civilized people before the hon. member finds it necessary to even utter a qualified doubt.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: What was the purpose of this great week end Liberal meeting? They met, they talked, they recommended, they went home and what they recommended has already been forgotten. These recommendations have been put into a position from which they will never be rescued. The Prime Minister has said, "Thumbs down. They had their right to speak. I permitted Liberals from across Canada participatory democracy." Incidentally, that is an expression that was invented by Mao. He said, "I have given them their opportunity to speak. They spoke, I spoke and the matter is closed."

[*Translation*]

Mr. Goyer: Mr. Chairman, we have never witnessed so much mental confusion as since Bill C-181 has been before the House.

We seldom see a party so determined to fight against an act such as the War Measures Act, so systematically, irresponsibly, day after day.

How strange that the very parties which asked the government to act with greater moderation, with regard to the events in the province of Quebec, should be so opposed to this bill which meets almost completely the suggestions made during the debate on the War Measures Act. Indeed, they apply themselves irresponsibly, chaotically, to rejecting, day after day, every clause of the bill.

It is a rare thing for the leader of an opposition party to say in advance that his party will vote for the proposed legislation and say today: Let us be careful; the legislation is getting so important—although it is good and the party has decided to support it—that its administration should not be left to the provinces. In other words, a provincial government should not be trusted or the administration of the measure left to a provincial Minister of Justice. In my opinion, this attitude towards the provinces is irresponsible and fails to respect the various jurisdictions recognized in the constitution.

There have been unfounded charges, even some odious assumptions. I have in mind what the leader of the opposition said on the last day we discussed the amendment now before us: Has the Quebec government anything to hide? If the leader of the opposition is aware of details hidden by the provincial administration, let him stand courageously and tell the House. The people shall then judge the government. But to voice insinuations and slanders against the people and the government of Quebec is acting in a totally disrespectful manner. It is neither in Toronto nor out West that the leader of the opposition should state charges; let him come to Montreal and say the same things in front of Quebeckers.

The New Democratic Party is behaving scarcely more responsibly. In fact, during the last few days, the members of that party have spoken as if they were shocked and constantly pitied the separatists whose liberties were being restricted. The legislation is not aimed against separatists, but strictly against terrorists—

The Deputy Chairman: Order. The Chair wishes to remind the hon. member that the debate deals with a motion to amend clause 15 of the bill now under consideration and that it must not extend to the entire matter of urgency measures which has been discussed on second reading and when clause 2 was under consideration.

Mr. Goyer: Mr. Chairman, when it is suggested that an administrator be appointed in order to supervise the administration of justice in the province of Quebec and to report to Parliament, this means acting as arbitrator of conditions beyond our jurisdiction.

When it is said that the Quebec Minister of Justice must fulfill the prerogatives conferred upon him by the Constitution and by the population under the supervision of an administrator, then the Canadian Parliament states bluntly and before the fact that the Minister of Justice is not to be trusted.

If this principle has any legal basis, we must be consistent and admit that it also applies to ourselves and in future every time we are in a difficult political situation our ministers will have to be kept under supervision.

Is the population willing to trust its leaders and to allow those it has entrusted with power to take a stand on the way they are carrying out their duties?

Now, the New Democratic Party states: We respect Quebecers and we believe that, today, they are being discriminated against by the law, as are the separatists. But, what solution does that party offer? It is satisfied to say: Let us exercise greater control over the government that Quebecers have elected, over the powers that the Constitution gives that province.

Is that showing respect either for the Constitution or for Quebecers? I suggest that by acting in this way one implies that Quebecers are irresponsible and unable to govern themselves, and that is deplorable.

This wish to appoint a federal administrator who would check the way Quebec administers the law

reminds me somewhat of the people in charge of the Canadian Civil Liberties Association of Toronto. A few days after the emergency legislation was passed, they went to Montreal and said to the leaders of the Civil Liberties Union: We are coming to your rescue, gentlemen. We will show you how to defend civil liberties. Quite happily, English and French Quebecers alike replied: Gentlemen, we can solve our own problems and please go back home to defend your own civil liberties.

I think it is outrageous to accept such an amendment. Only those who are unaware of the situation in the province of Quebec—because, precisely, they have had practically no representatives elected in that province to the House of Commons—and who act in an entirely irresponsible manner, will be punished and severely criticized by the Quebec people because of their attitude. They should realize right now that they are working against Canadian unity since they do not respect the constitution.

• (3:30 p.m.)

Mr. La Salle: Mr. Chairman, I seize the opportunity to state my views on this very important bill. I want to say once more that I unhesitatingly voted for the War Measures Act when it was put before the House, as we did not have much choice and it was absolutely necessary. I have, I repeat, no regret that I gave it my full support.

Of course, we had been assured that within the next few days, special legislation would be submitted, with the participation of Parliament. We were told that after taking into consideration suggestions emanating from all political parties, a special legislation, adapted to today's needs, albeit of a temporary nature, would be brought forward.

It seems to me that the participation of Parliament was not very significant. The bill was introduced and, if I am not mistaken, not a single amendment has been accepted by the government.

Of course, this bill affects Quebec in a particular way, since the problem under discussion exists in the province of Quebec.

I did not want to miss the opportunity to discuss the proposed amendment. It has been said earlier that the opposition has been trying for several days to demolish the bill clause by clause. On the contrary, the proposed amendment does not change anything at all in the wording of the clause put forward by the government. Why do they refuse to establish a commission or a supervisory committee, or to appoint an administrator—which would amount to the same thing and change nothing at all in the bill—in order to give the innocent people who have been annoyed without reason by the War Measures Act the assurance that the special measure now before the House will not have the same effect for them?

As a Quebec member who has studied seriously the wording of the act, I wonder if the federal government can intrude in the affairs of the provinces. At any rate, it seems that the general wording of the act which will be applied everywhere in Canada does not include any distinction on this matter. The act must be enforced everywhere in Canada. It is not even wondered if Quebec will accept it or not. The duty of the administrator would be to prevent abuses. I have the clear impression that this is only an assurance.

In my opinion, this is not a lack of confidence in the Quebec Minister of Justice or in the persons responsible for the administration of justice, because of the temporary nature of the act. The application of the War Measures Act has nevertheless permitted the arrest of many persons, in Quebec, for serious reasons and, sometimes, for not so serious reasons. I wonder, as a Quebec member, if it is not incumbent on me to ask the government to devote all its attention to this amendment that I consider valid.

Should the federal government appoint such an administrator, this would be contrary to provincial competence; maybe the hon. Minister of Justice (Mr. Turner) could, prior to moving third reading of this legislation, provide for a provision enabling each province to appoint such an administrator if found advisable.

But, I precisely wonder if this would not be interfering with provincial jurisdiction.

At least, it should be made clear in the legislation that each province may appoint an administrator to prevent abuses.

I fully agree with the principle of the measure and, in that respect, I took position right from the beginning. Since the introduction of this legislation was considerably delayed, I feel that despite fierce resistance by opposition members, some understanding could have been shown.

Mr. Chairman, I feel it is also important not to leave the impression that we want to muzzle not only the people but also the press and the information media, for if there has been respect recently for the opinions of certain Quebec personalities having some sense of responsibility, I think that it is also important to respect certain opinions and to acknowledge that the measure before us is in principle very valid, even if it contains some alarming weaknesses. But these concerns could be dissipated if an administrator were given the responsibility to supervise the administration of the law.

The amendment before us is necessary and I believe that this is an excellent opportunity for hon. members to demonstrate their goodwill, even if I feel that it would not be desirable for every province to appoint such an administrator, in view of doubts concerning the division of jurisdictions, which I continue to have myself. But the provinces would all be responsible to that administrator as long as the legislation under consideration would remain in effect.

I take this opportunity to tell the House that I voted with great pleasure for the War Measures Act which I believe was necessary since we had no choice.

I recognize that after a number of days, we could have considered making this amendment I would not say more flexible but at least susceptible of reassuring those who could be embarrassed, especially the innoncents because,

whether we like it or not, there is always the possibility that, although they have proven their innoncence, some defendants might feel embarrassed to have been arrested under this legislation.

I recognize the merits of this legislation but before I support it I would require at least one proof of the government's goodwill.

I would not want to be blamed for having supported a piece of legislation which could make it possible for Parliament to abuse the powers given to it and, under the circumstances, Mr. Chairman, I believe the minister responsible for the administration of this act as well as the hon. members from Quebec who have a tremendous responsibility in respect of this act which affects Quebeckers in a very particular way should seriously think about the opportunity of letting this province appoint an administrator. This, in my view, is essential.

Any abuse attributable to this act would be condemnable as would be any other abuse of power. For the last couple of days, the government has been accused of wanting to break down a certain political party in Quebec by adopting this measure. The statement made last night by the right hon. Prime Minister (Mr. Trudeau) has demonstrated how false that is.

I should believe that in the mind of all hon. members, this bill is not aimed at destroying a third party which nonetheless has succeeded in obtaining considerable number of votes through democratic processes, and if this legislation were to tend in that direction I would clearly vote against it.

Honestly, I think this bill should provide for a means of exercising some sort of supervision and I have already pointed this out several times. In fact, rejecting the amendment which will be proposed to that effect would be like saying: "We intend to stick to the letter of the bill and we consider that the participation of the opposition amounts to absolutely nothing".

As a member of this House, as a citizen of Québec, I certainly cannot vote freely for this bill as it stands, when the government has refused to study any amendment proposed by members of the opposition. This bill will be passed but not thanks to the participation of Parliament, solely because of the government participation. In view of that attitude, I am sorry but I cannot vote in favour of this bill. In fact, unless I am assured that the federal government will accept the appointment of an administrator authorized to exercice some control, or if at least the provinces are allowed to exercice it—unless a province were to refuse to do so—neither the federal government nor myself, as a member of a federal political party, can be blamed for having refused that assurance. On the contrary, the province will be blamed for not providing itself the right of revision if it has the opportunity to do so under the legislation.

Therefore, I hope government members will reconsider their reasons for their stand and allow all those who are in favour of the revision, that I find necessary, to get the amendment approved, considering the temporary nature of the legislation. I repeat that revision provisions would in no way interfere with the essence of the act. Their application may not be necessary but should cases of abuse occur, I would be very proud to have fought for their inclusion. To refuse this is to refuse to give us evidence of the goodwill of members and risk at the same that authorities exceed their powers.

As far as I am concerned, I am against abuse of authority, Mr. Chairman.

• (3:40 p.m.)

[*English*]

Mr. Orlikow: Mr. Chairman, the hon. member for Dollard made the kind of speech that one expects from an ex-parliamentary secretary who would like to be a cabinet minister in the near future. He suggested that only those people from parties that had no representatives in Parliament from Quebec could be so irresponsible as to propose the kind of amendment we are now discussing.

Over the weekend the Liberal party held a convention here in Ottawa. I do not know whether the hon. member was there, but if he was, then certainly he could not have listened to what the delegates had to say about precisely what we are discussing at this moment. The national party conference of the Liberal party endorsed by a substantial majority a resolution calling for the creation of an independent review board to serve as a check against the abuse of powers under the bill as long as it is in effect. Was that convention irresponsible, as the hon. member for Dollard claimed those members of this Parliament are who suggest the creation of an independent review board under this bill?

The resolution approved by the Liberal party conference yesterday called for the creation of a review board under the legislation to help ensure that democratic principles are preserved and abuse is minimized. It added that establishment of the board would not necessarily be an expression of lack of confidence in the Attorney General of Quebec. Is the hon. member for Dollard suggesting that the delegates to the Liberal conference were irresponsible in voting precisely along the lines of an amendment proposed to the government by members of the opposition but rejected every day by the Minister of Justice?

I suggest that the hon. member for Dollard is the kind of lap dog that the Prime Minister wants; that he will do anything the Prime Minister wants as long as it gets the hon. member for Dollard ahead. The members of this Parliament and the people of this country cannot expect any defence of civil liberties from the hon. member for Dollard, who is only interested in his own civil liberties.

The hon. member for Dollard suggests that the bill is aimed at terrorists and not at separatists.

• (3:50 p.m.)

Everyday, until this weekend when the Prime Minister went on television to make a distinction between terrorists, of whom there are a few, and separatists, of whom there are many more, members on that side including the hon. member for Dollard were trying to create exactly

the opposite impression. They have been trying to create the impression that separatists are terrorists, and if the hon. member for Dollard questions that then—

[*Translation*]

Mr. Goyer: Mr. Chairman, I rise on a question of privilege.

The Deputy Chairman: The hon. member for Dollard on a question of privilege.

Mr. Goyer: Mr. Chairman, I never in any way suggested in the House or outside that a terrorist was a separatist, or that a separatist was necessarily a terrorist. I always made the necessary distinctions, and if the hon. member can prove that his statement is accurate, I shall readily comment on the evidence that he will submit. Otherwise, I ask him to withdraw his remarks.

The Deputy Chairman: Order. I should advise the hon. member for Dollard that his question of privilege is unfounded, and it is simply a correction. I do not believe that assertions made by an hon. member in the House can become the subject of a question of privilege, unless they involve the member's integrity. However, the hon. member for Dollard will have the privilege to rise again later to put the facts straight or to explain them further.

[*English*]

Mr. Orlikow: Mr. Chairman, I cannot say I heard every word the hon. member for Dollard has uttered during this debate, but I have read every word the Minister of Regional Economic Expansion has said in this House as well as outside this House. I remember, and hon. members can go back to the speech made on the first or second day of the debate on the War Measures Act, when the Minister for Regional Economic Expansion intimated that there were between 1,000 and 3,000 members of the FLQ, that the FLQ had infiltrated all the important positions in the province and had been able to get people into positions in radio so they could broadcast their instructions in code. We have never had from the minister the slightest evidence that the charges he made in that speech, or in subsequent speeches, were true. Not only have we not had this evidence, but obviously he has not given the evidence, if he has any, to the Solicitor General or to the Secretary of State who is in charge of the CBC because there have been no dismissals, no arrests and no charges to substantiate that kind of irresponsible charge which was made both inside and outside the House.

We were told by the hon. member for Dollard that these amendments challenge the constitutional rights of the Province of Quebec. I am not going into detail on the constitutional questions, since I think they have been dealt with in detail by a number of members who are much more competent than I am. All I say to the hon. member for Dollard, as I have said on another occasion, if the Attorney General of Quebec wants to bring legislation before the National Assembly of Quebec which is within their jurisdiction he has every right to do so. If the National Assembly of that province passes the legislation, and it is not challenged in the courts, it will become the law of that province.

What we are being asked to do here today, and what the hon. member for Dollard does not seem to understand or if he does is not concerned about it, is pass legislation which will be implemented and administered by the Attorney General of Quebec. I have no intention of voting for the kind of legislation which would restrict the rights of the people in any province of Canada along the lines the Attorney General of Quebec has indicated he would like.

We are being told that it is showing a lack of confidence in the government of Quebec to ask for this kind of an amendment. Let me say I have no confidence in the Attorney General of Quebec. I remind the hon. member for Dollard that the Attorney General of Quebec has called for a system of identity cards, with which the Prime Minister does not agree. I remind the hon. member for Dollard that the Attorney General of Quebec, and I think the Prime Minister of that province, have intimated that they look with favour on some form of press censorship. The hon. member for Dollard may not mind press censorship but I, for one, have no intention of voting for anything which would lead to press censorship today or any other time.

I remind the hon. member for Dollard that a member of the Liberal caucus of the Province of Quebec, Mr. Bienvenue, made the kind of attack on press and radio representatives in Quebec City which, in all probability, has never been made before in any province or city in this country. The hon. member for Dollard may not be interested in civil liberties but some of us are. The hon. member may not realize that the kind of legislation we are passing today, and the kind of legislation which Mr. Choquette would like to see in the Province of Quebec, would have been greeted with hosannas by Premier Duplessis. He would have loved to have had the kind of power which this legislation would give to him. The Prime Minister and the Minister of Regional Economic Expansion had some experience in fighting Mr. Duplessis but they seem to have forgotten a great deal about it.

I can only conclude from the remarks of the hon. member for Dollard that he not only does not know about Mr. Duplessis, but he would not have minded the kind of legislation Mr. Duplessis would have liked to have used or the kind of action Mr. Duplessis took. I say to him that what he is supporting now goes much further than the kind of power Mr. Duplessis ever had or used. If he wants to vote for it that is his responsibility, but I have no intention of supporting that kind of ridiculous and nonsensical legislation.

Mr. Woolliams: Mr. Chairman, I can certainly be brief as I only wish to make three or four points which I feel should be made at a time when we are coming very close to a vote on the amendment.

The amendment before the House is a very simple and clear one. It would provide for the appointment of an administrator, to be a member of the judiciary, with the

power to appoint other people to be administrators in order to investigate and remedy abuses which may arise as a result of the implementation of this measure. The amendment also gives the administrators the power to review and confirm, vary or revoke a certificate filed by an attorney general where someone may be put in jail for 90 days. If the attorney general files a certificate that the man is there for just cause or reason, then that is it. Of course, it is very easy to do this because it just involves a matter of bureaucracy.

What we are asking is very simple. We are asking for review machinery very similar to that suggested in the amendment moved by the NDP, except we may have gone a little further by suggesting that the administrators would be members of the judiciary. I agree with what has been said in this regard. We do not care about the makeup of this review board. All we want to have is a review board to be used against abuse.

The question to ask today is what evidence is there of abuse. Just before answering that question, let me say that I cannot believe we can have this kind of legislation administered by any human being in office anywhere in Canada, whether it be within provincial or federal jurisdiction, without there being some abuse. We must come back to the premise that the only protection the individual has is that given under the rule of law. Without that protection, we have no protection.

Has there been abuse to date? We know there have been abuses. We know this by the number of arrests and the number of people who have been detained without charge under the War Measures Act or under the Criminal Code. We know that Gerard Lortie, a student in Hull, was picked up, even though he had voluntarily given his name to the police. He told them he was not the man they were looking for but thought he better tell them he had the same name. We know from reading the newspapers he was held in custody, and that is the only way we can get facts from this government. We know he was held incommunicado for a period of time without the right to retain counsel or see his parents, even though they went to Montreal. We know the door of the house occupied by the Secretary of State was kicked in. If he had not been the Secretary of State he might have been thrown in jail.

• (4:00 p.m.)

I believe that right now, and I make no apology for this statement, there are men who are being detained in custody in the province of Quebec who were friends of the Prime Minister when he was a young man. These men are being held in solitary confinement. The Prime Minister, with his background and with the knowledge that people are involved with whom he was associated, apart from anything else, should review the situation to find out why these people are being held in solitary confinement. This is the type of difficulty that now exists. Today the Prime Minister said, when we questioned him, that he does not care if 492 delegates to a Liberal Convention ask for similar review machinery. He said, in effect, that he is the dictator of his party; that so long as he is Prime Minister he will make the decisions and that the convention will not tell him what he is to do. So, he turned down the suggestion and he turned it down in this House.

The next question is, how long should we continue to debate this bill when this government has an overwhelming majority? The government intends to ram it through. I am too logical a person to waste my time in this House of Commons arguing something when I know that, with one or two exceptions, the Liberal government intends to ram this bill through. Let us review what the Minister of Justice said. He came up with some rather novel arguments the other day when answering me. Let us see what he did have to say in this regard. He gave basically the same answer the Prime Minister gave, so we know that his instructions have come from the Prime Minister. He said:

> The Attorney General of any province, accountable as he is to the legislature, accountable as he is through the legislature to the people, must be more sensitive to the administration or to the possibility of the maladministration of justice than any commission responsible to no one. I do not think that any paraphernalia or any superstructure of review can in any way derogate from the fundamental responsibility of an Attorney General under the British parliamentary system. There is no way in which that can be done.

It is this House that is passing this legislation. We are the ones who are thrusting it on the province. The premier of Quebec may have asked for this type of legislation, but possibly the Prime Minister has had two or three conversations with him and he has said that he does not want this review machinery because there is a committee in existence. Let me make one fundamental point now. This committee is composed of a voluntary group of good living citizens in Canada who are trying to operate under very difficult circumstances. However, this committee has no authority in law to go into the jails, to examine the situation or hold any hearings. It may be a desirable thing and so on, but really it has no power. The committee is composed of people who are good citizens and good people. They would not have volunteered to act in this capacity if they were not. But there is no power in law that gives them the right to go into the prisons where these people are detained any more than there is in respect of members of the John Howard Society, the Red Cross or anybody else.

Surely, when we have legislation such as that put forward by this government there should be certain safeguards. We are giving the power to the police to detain people without charge, without the right of appeal and without the right of communication with their families. So, surely when we are setting up that power structure in a province, a review committee should be established by law. As we have said before, we do not mind if the government does not like the kind of review committee suggested by the Conservatives. We say to the government, suggest your own committee. Perhaps it should be established by this bill or, as one member said, perhaps the province should set up the committee and appoint members from among the judiciary. The constitution is quite clear and it is hogwash for the Prime Minister to hide under the constitution as he has on many occasions.

We have set out our amendments and our views. We have laid these before Parliament and yet this government says it will not listen to anything but will ram this bill through. What is so sad is that the Prime Minister appeared on the TV network last evening and left the impression that Parliament had already vetoed any review machinery because it had not chosen to hang its hat on the NDP amendment or on our amendment. The Prime Minister left the impression that Parliament had already voted on the total review machinery. He left the impression that Parliament had spoken and there was nothing more to do. That, to me, was a falsehood. Whether it was intentional or otherwise I leave to him, because he is the only one who knows what motivated him. But the suggestion is there. I want to remind the minister, through you, Mr. Chairman, that we ask men like yourself to stand now and be counted because we have a Prime Minister who will not listen to the convention, to the cabinet or to the backbenchers of his own party who have set him up like a dictator. This legislation makes him appear to be a dictator.

Some good French Canadian citizens of the province of Quebec believe the whole deal is a hoax and that the Prime Minister manufactured this crisis. Only history will show whether or not there was a real crisis. However, the kind of psychology this gentleman used is the kind which creates a crisis which would split this country apart rather than unite it as has been suggested. What has this government told us? They have turned us down flatly. There is nothing more we can do. I want to emphasize that I, and Members of Parliament over there, know that the Minister of Justice is unhappy. I know that lawyers over there are also unhappy about this legislation. The reports in the press would indicate that the only ones who defended this legislation at the Liberal convention were a few Members of Parliament who were put there almost as hired counsel on behalf of the Prime Minister's position.

There is only one other thing I should like to say—

Some hon. Members: Hear, hear.

Mr. Woolliams: All right; so long as it is not your civil liberties that are involved you do not mind. People even write to me to that effect. As I pointed out last time I spoke when I referred to Lord Byron, it is only when a person has lost his civil liberties that he becomes concerned. I ask the Minister of Justice to stand up against his own Prime Minister. Maybe it is time for one or two ministers to show what kind of calibre and integrity exists in the executive. It would be far better to resign today with your principles than continue in office without them. Once this Prime Minister gets you under his thumb you will gradually lose your principles. The Prime Minister is endeavouring to use you as a means of implementing what he knows is wrong.

• (4:10 p.m.)

Mr. MacDonald (Egmont): Mr. Chairman, I am not going to emphasize the obvious failure of the government to be responsive and responsible, even in the face of the expressed wishes of its own party supporters. That fact has been well documented. The amount of obstinacy that can be seen in a government is really incredible, when it will not even listen to the group of people one would most expect to support the position it had taken. The fact that the rank and file of the government party's supporters at a national meeting could indicate, by majority vote, that the government had failed in a very grave way to respond to the request for a review clause in this bill is nothing short of shocking.

What is just as shocking is the misleading impression created by the government, both in this House and throughout the country, that it was prepared to deal with this issue on the broadest possible front in the belief that a united stand in this House, or as close to it as could be approximated, would be important in resolving the question. Therefore, in dealing with the regulations under the War Measures Act, both the Prime Minister and the Minister of Justice made it very clear there would be a process of consultation with regard to the drafting of legislation to be submitted as a temporary public order bill. As is well known, some consultation did occur. However, I believe even the Minister of Justice will confirm the fact that during the periods of consultation prior to the introduction of this bill he was not able to provide a detailed summation of what the bill would contain.

Now that the bill has been introduced, we have seen a complete unwillingness on the part of the government to continue what was supposed to have been a policy of constructive consultation. There has been an unwillingness on the part of the government to accept the amendments presented by the NDP and by my party at their face value, as being important and reasonable contributions to the bill. Not only has there been an unwillingness to do so, but there has been a stubbornness that has been nothing short of unbelievable with respect to this important piece of legislation. Surely the process of consultation which took place before the introduction of the bill must now be considered a farce by most people because the government has proven itself unwilling to consult on the most important details of the bill. To say the least, it has shown a willingness to hide behind arguments that are unsound, arguments that do not in any way face the facts.

As recently as this afternoon, the Prime Minister has argued that to place a review clause in the legislation would call the competency of the provincial government into question. I would think that is a total misreading of the responsibilities of this House and of the joint jurisdiction that exists with regard to the courts and the processes of justice. As has been emphasized by the hon. member for Calgary North, through this amendment we are not asking for a review body that could only be viewed as some kind of federal intervention. What we are seeking is an assurance, under law, that there will be a review board which will ensure that justice is not only being done but will be seen to be done. The fact that the government refuses to respond in any reasonable fashion to that request must make this legislation not only dubious but in direct opposition to the best interests of the people of the country.

Time and time again within the past few days the Minister of Justice has argued that we must be prepared to allow particular anomalies in this legislation such as retroactivity, the provision that might allow a husband or wife to give evidence against a spouse, and the provision with respect to the period of time that a person may be kept in jail before he is brought before a court. Time and time again he has said that because of the nature of the situation, because of the grave difficulties in Quebec, because of the crisis, these are temporary and special powers that the government would not normally seek, but which it must ask for in this instance.

I am not saying that I have accepted that argument, but at least it is the one that the Minister of Justice has put forward. It is one with which he feels comfortable. If that is an argument on behalf of special powers which, to use the words of the right hon. member for Prince Albert, place the rights of many Canadians in cold storage for a period of time, why is the minister not willing to ask for special assurances, for a special review board, and for a special protection under the law so that the abuses to which reference has been made could not in fact take place? It seems unreasonable to me that on the one hand the minister would ask for these special and extraordinary powers, and on the other hand not be willing to examine with his cabinet colleagues, and with the authorities in Quebec, special and extraordinary powers to protect abuses under this legislation. In short, he is asking for a very special and extraordinary privilege without introducing the kind of guarantees and protection which we in this House have a right to expect.

Our debate on this bill, even that part of it dealing with the question of a review board, may seem somewhat remote to people generally throughout the country. However, I think it is important to let them know that we are acting in their best interests, that we are in fact ensuring that justice will be done. Editorial after editorial has supported our position. The party which supports the government, the people who have given overwhelming support to the government for introducing the War Measures Act regulations and this temporary public order bill, have said that at the very least there must be some kind of review commission to ensure that not only will justice be done but that it will be seen to be done.

In arguing this afternoon along the kind of arid, and in this instance somewhat theoretic line about constitutional interference, the Prime Minister has avoided facing the basic questions involved in this issue. He has misled the House and misled the people into believing that the matter of constitutional haggling is more important than justice being done for millions and millions of people in this country.

Anyone who has examined what has happened under the administration of the War Measures Act regulations, anyone who is aware that more than 80 per cent of the people arrested were subsequently released without being charged, must realize that more people are going to be arrested, detained and searched who really in no way, shape or form are related to the acts of terrorism involved. I think that the people of this country who may have been quite willing to place their good faith in the government will now have to think very seriously about withdrawing that good faith, because it is quite apparent that the government is not prepared to act in good faith on this bill. In the face of a request by its own party it has committed itself to a course which is both obstinate, unwise and unjust.

• (4:20 p.m.)

The Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Woolliams) negatived: yeas, 33; nays, 63.

The Deputy Chairman: I declare the amendment lost.

On clause 15—*Expiry.*

Mr. Rose: Mr. Chairman, as I rise to introduce the final amendment that our party has to offer in order to make Bill C-181 at least somewhat less repressive, I should like to assure the Minister of Justice that my words will not include another musical criticism of his previous performance.

Given our experience earlier in this debate, Mr. Chairman, when the minister has been impervious to all reasonable attempts by opposition parties to "liberalize" this present bill, and given the sweet glow of euphoria that undoubtedly envelops the government following the great Liberal potlach here this past weekend, I am not particularly optimistic that my words will go very far in moving the minister.

Many more persuasive speakers than I have taken part in this debate. Sound and reasonable arguments have been presented in order to make less objectionable some of the features of Bill C-181, popularly known as the "Son of War Measures" in our caucus. All of these arguments have been to no avail and most were rejected out of hand by the minister. I think all of us who listened to the debate last week and again this afternoon feel that legitimate concern for the erosion of civil liberty was expressed by all parties, both inside and outside the House, except perhaps by some of my friends in the Créditiste party. I do not think they are particularly concerned about it.

One of our main concerns is the concept of retroactive guilt. I do not want to repeat all the arguments, but I do know that many people are concerned that membership in an organization that was not illegal before the War Measures Act was proclaimed could be considered retroactively as an offence, meaning that a person could be guilty of doing something that was within the law before the proclamation. Another worry which we have heard expressed this afternoon by some of the opposition parties and also by the Liberal policy convention, relates to the institution of a review board or commission to take care of possible excesses that may occur under this bill. The motivation prompting these suggestions is that, while

Parliament is responsible for passage of this legislation, it has little or no authority in its administration. We heard the minister, in response to questions in the House, say, "Yes, we passed the War Measures Act but the administrative responsibilities are under the attorneys general of the various provinces and therefore, if there are excesses there is very little parliament can do about them at this time."

This fear has been expressed by many members and the government rebuttal to the concept of a review commission or tribunal can be summed up something like this: "If you are making this kind of suggestion about a review tribunal, then you don't trust the provincial attorneys general and in a federal state you must be prepared to do this."

I should like to say to the minister now that I do not share the same confidence in the attorney general of Quebec that he seems to possess. I hasten to say that I see my job here as an opposition member as one of trusting no one.

Some hon. Members: Oh, oh!

Some hon. Members: Shame.

Mr. Rose: Perhaps I will make an exception of the former parliamentary secretary to the Minister of Fisheries and Forestry. I think our professional opposition responsibility is to look with a cynical eye and lack of trust at all kinds of legislation because that is what we are paid to do in this Parliament. I wonder what the government's posture would be if the reigning government of the province of Quebec had been other than Liberal? I wonder if the same arguments would prevail? Mr. Chairman, the minister's response to the reasonable amendments, and there have been many, to Bill C-181 convinces me that he is being backed by popular opinion and reinforced by a substantial majority. This public opinion, coupled with the majority, automatically makes his decisions right, or so he feels. I think this posture is somewhat equivalent to that of an army private who, when questioning a decision of his sergeant is told, "Sure, I am right; if you don't believe me, count the hooks." But there is no democracy in truth, Mr. Chairman, and I know that saying itself is a truism. The truth is the truth regardless of how many people or how few people believe it at any one time.

I should like to believe that Canadians are very concerned about what we do here with regard to their civil rights, but I am not convinced that great numbers of them care about it one way or the other since it does not strike them personally. We have all spoken a great deal on this subject but I wonder seriously how many Canadians are really listening. Indeed, when I speak in this House I wonder how many parliamentarians are listening. Judging from the catcalls opposite, I realize I have gained a few listeners; some at least have remained awake.

I should like to read to the House, Mr. Chairman, the opinion of one journalist who has something to say on the topic of people caring. J. R. Dahling writing in the *Columbian,* the newspaper of that great city of New Westminster, of November 12, 1970, has this to say:

> It seems as if "Johnny Canuck" has an aversion to the examination of problems in their early stages. Perhaps because it must capture his interest, and more important, his time. Much rather he prefers to have many of the social problems of his country (province or city) swept under the rug.
>
> Unfortunately for the whole nation, these problems do not lie quietly under the rug but multiply and fester until they erupt violently. And then the glib and heavy-handed pseudo-messiahs uttering glib and heavy-handed pseudo-solutions arrive with bugles blowing and flags flying like a Hollywood version of the U.S. cavalry.
>
> It is only too true that very drastic measures are necessary, not because drastic measures were always necessary, but because we "Johnny Canucks" did not want to believe there was a problem—we did not believe our "honest" politicians when they tried to tell us before it got out of hand.

This correspondent certainly expresses a view considerably more pessimistic than the one I hold. But I should like to emphasize that my disagreement with this correspondent is more a matter of degree than of kind. For those who prefer the words of a more learned and highly placed official of the Crown, may I quote a statement made by Mr. Justice O'Halloran in 1953. Admittedly, His Lordship was speaking with regard to a matter different from the one we are discussing. The circumstances involved a different context. On that occasion he said:

> . . . it is rather remarkable to suggest that the judgment of a political head of a department shall be substituted for that of a court. The Minister at best is a transient holder of office, subject to all the vicissitudes of political climate and a party policy that completely envelop a man who is responsible to the political expediency of parliament and who belongs to the party in office which humanly seeks to remain in office.

• (4:30 p.m.)

Mr. Justice O'Halloran's words, though they apply to another context, might well apply to the matter we are considering. The minister has repudiated our attempts to establish, under this bill, a review commission. I have searched my mind—

An hon. Member: That didn't take long.

Mr. Rose: —to discover the reason behind the minister's repudiation of that reasonable amendment suggested by the opposition. We were trying, I think, to make Bill C-181 a little more humane. The opposition was well intentioned. I think any action designed to make government bills more humane ought to be encouraged. There are some people who are very concerned about civil liberties but there are many others who are not.

Some hon. Members: Hear, hear.

Mr. Rose: In searching my mind, and this took a little time—

Some hon. Members: Hear, hear.

Mr. Rose: —to learn why the minister was so obstinate, I concluded that I could do no better than ask orally and

aloud those questions I have been asking myself privately. They are as follows:

Will the softening of this public order bill, Bill C-181, weaken in the eyes of the minister the validity of invoking the War Measures Act in the first place? If, as described by the government, the War Measures Act is a blunt instrument, does not this bill risk being tagged with the same description? Another question I have asked myself is this: Has the Attorney General of Quebec informed the government that unless he receives these extraordinary powers in full measure—I am referring to the powers contained in Bill C-181—he will resign, thus throwing the Bourassa government once more into a renewed state of shock. My third question is this: Is this really a right wing law and order bill designed to appease the sabre rattlers throughout Canada, the ones who see in all change a symbol of creeping permissiveness to be stamped out forthwith. Also, does Bill C-181 somehow affect the minister's future political goals?

I think these are valid questions. I do not know the answers; I can only pose the questions.

I wish to propose an amendment to clause 15 of the bill. I propose to extend to Parliament the right that the government now holds of limiting the period of the enforcement of the bill to April 30, 1971. At present clause 15 reads:

> This Act expires on the 30th day of April, 1971 or on such earlier day as may be fixed by proclamation, unless before the 30th day of April, 1971 or before any earlier day fixed by proclamation, both Houses of Parliament, by joint resolution, direct that this Act shall continue in force until a day specified in the resolution, in which case this Act expires on that specified day.

My amendment is as follows. I move, seconded by the hon. member for Winnipeg North:

> That section 15 be amended by adding the following words as subjection (2),
>
> (2) a Notice of Motion in either house signed by ten members thereof and made in accordance with the rules of that house, praying that an earlier day for the expiry of this Act shall be fixed by proclamation, shall be debated in that house at the first convenient opportunity within four sitting days after notice thereof is given,
>
> and renumbering the first paragraph of Section 15"(1)".

I have two copies of this particular amendment for distribution. In 1969, Mr. Chairman, the Bill of Rights contained an amendment affecting the War Measures Act and asserted the right of Parliament, for the first time, to fix an earlier date for the suspension of that act if any ten members should signify their intention in writing to hold a debate. We know that clause 15 contains a paradox, in that Parliament has the right to extend the special powers beyond April 30, but only the government can shorten the period. This, as I have said, is wrong, because Parliament ought not to be placed in a position that is subordinate to the duly elected autocracy.

There are two conditions under which I think Parliament can invoke the right to "pray for an earlier expiry". I think I have used the correct words. One of those conditions involves police excesses and injustices, of which we have heard a great deal this afternoon and on previous days. There must be, as I said, police excesses and injustices causing mental and physical anguish to those arrested on suspicion only. When those conditions exist, Parliament ought to invoke the right requested. The second condition involves the lack of demonstrable need, because of a return to normalcy in Quebec, that the civil rights of all Canadians which are unnecessarily being restricted should be withheld no longer. Under those conditions Parliament ought to avail itself of this right to end the special powers as unnecessary.

I hope that the minister and his colleagues will consider this amendment. Last week the minister said that the invocation of the special powers and the consequent loss of personal freedom was based on a value judgment. He indicated that the government was prepared to take the risk consequent upon this value judgment. That is all very well. I do not think the minister ought to be congratulated for pontificating on what is obvious. Everybody knows that with special powers comes a corresponding loss of freedom. We know this. I know this, and every Canadian knows and is prepared to accept this. There is to be some loss of freedom. The value judgment tells us that much. It is not the loss of freedom we object to; we want to know how great will be the loss of freedom, and for how long a time. In order to meet the need, and in order to meet this real or imaginary challenge to the state, we must be prepared, as we have said we are, to lose some freedom. The question is, how much freedom will we lose? That is what separates our position from that of the government. This is where we disagree and where we part company with the government.

I hope that this reasonable amendment to give to Parliament the right to shorten the life of the bill will be accepted. It ought to have the right so to alter the expiry date. That right ought to be shared with Parliament which, as we are all told, is the highest court in the land.

• (4:40 p.m.)

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the purpose of the amendment is to alter the termination clause to provide that ten members, by signing a resolution, can have a debate commenced in this House calling for a termination of the law prior to April 30, 1971, the date when the bill, or at that time the law, will terminate. We deliberately made this a short term, terminating April 30, 1971. It has been made quite clear that if we feel the responsibility given to the government can be terminated earlier, we will do so.

We also made it quite clear that the bill cannot be extended beyond April 30 without approval by a joint resolution of both Houses of Parliament. In other words, we are in the hands of Parliament if it is necessary to extend the bill beyond April 30, 1971. We believe that is the proper position to take. Parliament will be consulted before April 30, 1971 if we intend to extend the operation of the bill. We only ask for authorization of Parliament, if the situation warrants it, with regard to the exercise of initiating termination of the bill prior to April 30, 1971.

Parliament is setting a maximum date. The maximum date we have asked for is April 30, 1971. Having accorded us the maximum date, we hope that Parliament will accord the government the discretion of withdrawing the bill prior to that date. There is no infringment of Parliament. The date is clearly stated in the bill. In order to extend it beyond the maximum date, we will require the approval of Parliament. Surely, the government should have the discretion of analysing the situation in order to determine whether the bill should expire prior to that date.

Mr. Lewis: Mr. Chairman, I suggest the minister was not very logical in his explanation. It is consistent with the adamant position the minister and the government have taken on every suggestion that has been made, but it is not logical. This amendment does not suggest removing the discretion of the government. This amendment does not remove from the clause the discretion in the government to terminate the bill prior to April 30, 1971. This amendment merely asks that Parliament continue to have the right to review the operations of this exercise and to be able to say whether the judgment of the government that it should not be terminated on a certain date is right.

The suggestion is made for two very good reasons. One is simply that it plagiarizes the amendment to the War Measures Act contained in the Bill of Rights which has precisely the same kind of provision. I am aware that invoking the War Measures Act was not for a definite date. Therefore, the minister will argue that is the reason for having the provision. He need not say that because I understand it. None the less the principle involved is that when extraordinary powers are invoked and exercised by a government, Parliament should have the right to say how long the government will exercise those extraordinary powers.

The fact that Parliament has set a termination date of April 30 and, as the bill suggests, the government will be given the right to terminate it earlier if it sees fit, does not remove the duty of members of this House of Commons to be able to debate the issue. That is the meaning of my hon. friend's amendment. On a motion signed by ten members, Parliament will debate whether the bill should continue until April 30, 1971, or, to pick a date out of the air, terminate on February 28, 1971. What the minister is refusing is not quite as nice as he put it. The minister said, please leave us with a discretion.

The minister is, in effect, saying that unless we use an opposition allotted day, introduce something under Standing Order 26 or some other gimmick like that, Parliament shall not have the opportunity to debate whether this bill ought to remain in force until April 30, 1971. The minister insists on having an act which muzzles this Parliament until he is ready to let Parliament do something about it.

Some hon. Members: Hear, hear!

Mr. Lewis: If the minister is not insisting on that, I ask him what harm there is in the amendment. What possible harm is there in accepting the proposition of the hon. member for Fraser Valley West? In what way does it interfere with the powers of the bill? Members opposite keep on cackling in support of the minister. I challenge any one of them to tell this committee in what way this amendment would interfere with the powers under the bill. In what way would it interfere with the powers the police may exercise or with the discretion which the government has under this bill? It would interfere in no way whatever with anything else in the bill. It merely gives ten members of this chamber the right to inscribe a motion on the Order of the Day—

An hon. Member: Every day of the week.

Mr. Lewis: Mr. Chairman, the amendment calls for only once but I like the idea of presenting a motion every day of the week, if necessary, to protect the interests of Canadians.

An hon. Member: Now, we know.

The Deputy Chairman: Order, please. The hon. member for York South.

Mr. Lewis: Hon. members are saying, "Now, we know". The thought comes to my mind that it does not take much knowledge for them to cackle in that manner. Hon. members ought to recognize, (a) that this amendment does not call for every day and, (b) that no one in his senses would do this every day. That is not the issue. Even the Minister of Justice did not suggest that as his reason for opposing it. Now that the minister has had the wise and careful advice of the hon. member for Hamilton-Wentworth, he will no doubt be a great deal more enlightened than he would otherwise have been. I cannot really expect the members of the Liberal party to listen any more respectfully to me than they listened to their own convention delegates on the week end, Mr. Chairman.

Mr. Osler: Will the hon. member permit a question? I wonder whether I heard the hon. member correctly? He said that when appeals under Standing Order 26 were made that these, as well as opposition days, are gimmicks. If they are gimmicks, and those days could be used for the purpose of advancing the business of the House or the feelings of the opposition, I wonder whether it is fair to use these gimmicks as much as they are used?

Mr. Lewis: Mr. Chairman, I hope the hon. member for Winnipeg South Centre will forgive me if I return to the subject rather than answering his inane question. I will return to what I was saying at the time the consciences of the Liberal members caused them to start cat-calling. I seriously suggest to the minister and members opposite that the amendment moved by my friend does not in any way weaken the contents of the bill, interfere with the rights of the police under the bill or with the discretion left with the government. It merely adds the possibility of ten members of this House instituting a debate as to whether the bill should continue in force.

If hon. members opposite are honestly worried about this motion being moved every day, if that interjection was not merely for some purpose other than honest worry, I will now move a subamendment to this amendment providing that this may be done only once between now and April 30, 1971. Hon. members opposite are not going to get away with dishonest interjections. If someone will write out the subamendment for me, I will move it.

• (4:50 p.m.)

The Chairman: Order. I understand that the hon. member is moving a subamendment to his amendment.

Mr. Lewis: Not to my amendment, but the amendment of the hon. member for Fraser Valley West.

An hon. Member: Seconded by the hon. member for Hamilton-Wentworth.

Some hon. Members: Oh, oh.

The Chairman: Perhaps the hon. member will continue his remarks. I am sure that in due course the Chair will get the sub-amendment in writing.

Mr. Lewis: We are putting it in writing, and you will get it. The likelihood is that it will not be necessary, because the rules provide that a debate on a given subject can take place only once in a session, and for this reason the amendment itself is probably sufficient; it will be voted on only once and cannot be repeated. But if hon. gentlemen opposite want this concession and if, as a result of this concession they will vote for the amendment, I will move it.

I say to the minister that his refusal to accept any amendment at all is altogether unreasonable, and he ought to have been willing to accept this one, which in no way interferes with the powers he maintains he needs or with the powers the Attorney General of Quebec maintains he needs. It is some kind of recognition that not only the Prime Minister, not only the members of the government, not only the members of the Liberal party, but all Members of Parliament have a responsibility for this law and for its implementation as well as for the length of time it will exist in force.

I therefore move, in accordance with what I have said:

That the amendment be amended by adding after the word "given" the words "provided that such a motion should be made only once before April 30, 1971."

Mr. Lambert (Edmonton-West): My purpose in rising is merely to point out that some hon. members seem to have failed to read clause 15. The bill requires merely a resolution by both Houses of this Parliament to extend its life for a year, 18 months or two years, whatever may be the date specified in the resolution. It is not as though the legislation will be called back for discussion in a month. What about the period beyond April 30, 1971, when the bill could not be amended? It would not be in order to advance any amendment at that time to a resolution which might be advanced by the government to extend the life of the legislation. I ask hon. members who are the guardians of the civil liberties of this country: what is your answer to that? The bill could be extended for 18 months on the strength of a vote by the government majority, and Parliament would be muzzled by a dominant cabinet at all times.

Some hon. Members: Oh.

Mr. Lambert (Edmonton-West): This is precisely the effect of the refusal by hon. members opposite to accept the amendment to this clause. It is not the period to April 30, 1971 that the opposition is concerned about; it is the period after that. The minister knows I am right when I say the danger lies in the fact that the government could ask for an extension, lasting, perhaps, a year, at which time the legislation would not be subject to review. For this reason, and all the more for the other reasons which have been advanced, the amendment should be accepted.

Mr. Knowles (Winnipeg North Centre): The hon. member for Edmonton West is to be commended for making the point he has just brought to the attention of the House. In keeping with what he has said, I should like to draw to the attention of the Minister of Justice the fact that even if the amendment proposed by the hon. member for Fraser Valley West were not accepted the claim the minister made that the government can discontinue this act on its own initiative would disappear if there were a resolution agreed to by both Houses to continue the act beyond April 30, 1971. True, the resolution must contain a specified date, but knowing this government's concern for civil liberties it might be five or ten years off. Once a date has been put in after April 30, 1971, even the government by proclamation could not provide that the act should expire on a date earlier than that. This clause really needs the amendment proposed by my hon. friend from Fraser Valley West or some rewriting to make it much clearer than it is at the present time.

The Chairman: Order. So that the House may proceed with the consideration of Private Members' business, it is my duty to leave the chair.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Moose Jaw (Mr. Skoberg)—Canadian National Railways—Non-payment of minimum wage—Retired employees' pensions—Government action; the hon. member for Champlain (Mr. Matte)—Inquiry of the Ministry—General de Gaulle's funeral; the hon. member for Timmins (Mr. Roy)—Canadian Broadcasting Corporation—Performance of illegal abortion on program "Weekend".

It being five o'clock, the House will now proceed to the consideration of Private Members' business as listed on today's paper, namely, Notices of Motion.

PRIVATE MEMBERS' NOTICES OF MOTIONS

FISHERIES

REQUEST FOR ASSISTANCE IN PROVIDING COLLECTION AND STORAGE FACILITIES

Mr. Jack Marshall (Humber-St. George's-St. Barbe) moved:

That, in the opinion of this House, the government should consider the advisability of providing loans and grants to encourage the building and improvement of fishing facilities along the Atlantic coastlines for the better collection and storage of all marketable species of fish.

He said: Mr. Speaker, I am putting forward this motion today because I have witnessed the unnecessary loss of livelihood by fishermen in my own district, and I presume a similar situation confronts fishermen in other parts of the Atlantic provinces. I was prompted to submit this motion because of a situation which exists in my district which takes in some 250 miles of coastline and embraces many small fishing communities which depend solely on the inshore cod fishery. During the season when the fishermen are fishing for cod many other species of fish, including flounder, mackerel, herring and salmon, are attracted to the nets. Since the fish plant on which the fishermen must depend to buy their fish is only prepared to accept the cod, the fishermen have to throw back the other species of fish and loss of income results. Along 200 miles of the northwest coast, which I represent, there is only one fish plant and during the season it is only able to handle the cod.

• (5:00 p.m.)

In one community last year when codfish were very scarce, the fishermen of the community as well as others had literally to discard thousands of pounds of other species of fish because the fish plant could not handle them. Strangely enough, many of the other species of fish are worth much more than cod, and the fishermen were deterred from selling this fish due to lack of storage and cooling or freezing facilities where the fish could be kept for other markets.

Many buyers in the provinces are prepared to buy other species of fish but cannot be on hand immediately it is caught. Nevertheless they are ready to handle it if the facilities are satisfactory. The federal government, in co-operation with the provincial government, are now granting up to 90 per cent of the cost of a long liner under their boat building program, and it is very evident that codfish stocks are being depleted. I say that a similar type of program should be instituted immediately to make available similar types of grants or long term loans to groups of fishermen in a community on a co-operative self-help basis. This would enable them to market the other species of fish by building small holding units with cooling and freezing facilities to keep the product at the proper temperature for sale to the market.

I have visited the industrial development branch of the Department of Fisheries and Forestry and have seen plans of this type of facility which could be built for as little as $20,000, though I would venture to say that on a self-help basis it could be built much move cheaply. In communities where government community stages already exist, cooling facilities could also be installed and would afford a much wider scope for fishermen to earn a livelihood. I have also found in my visits to fishing communities that much government money is being wasted by building wharves and breakwaters on contract. A great saving could be effected if this type of fishing facility were built by the fishermen themselves under the supervision of the engineering staff of the Department of Public Works.

The fisherman in Newfoundland has the native ability and knowledge, passed on through generations, to know where and how a breakwater should be built for the greater benefit of all concerned. I have seen too many hundreds of thousands of dollars wasted on breakwaters and wharves which were built for political advantage, of no avail to the fishermen concerned and at too great a cost to the taxpayer.

If I can quote another example of taking other species of fish, through the initiative of the industrial development branch of the Department of Fisheries great value has been placed on lump spawn, and a market for this spawn has been found in Germany and other countries. Through this branch of the department a buyer from Germany came to Newfoundland and contracted to purchase lump spawn, which previously was not even considered of any value. For this spawn the fishermen is paid more than twice what he gets for cod; but again lack of cooling facilities prevents him from taking advantage of the market for this type of product, with the result that again he loses a source of income. I know of other experiences where fish buyers refused to buy salmon from the fisherman in his community due to lack of ice. Upwards of a hundred men could have been employeer if the facilities to store the salmon and prepare it for market had been available.

Irish moss is another product which the government spent many dollars to find; yet the market for a new product which brings income to fishermen has gradually deteriorated due to the fact that proper facilities are not available. The government for some reason or other will not realize that studies and surveys must be supported by facilities to take advantage of a product.

How many times do I get replies from the Department of Public Works to my requests for breakwaters and wharves and dredging to the effect that, since the catch and the number of fishermen are decreasing in a particular community, there can be no justification to spend the money? Little do they realize—or they do not want to realize—that the reason for the decrease in the catch and the number of fishermen is that there are no facilities in the first place.

It is time we gave our fishermen some credit for initiative and decision to an industry which is the lifeline of my province. In this fast advancing age of science and technology all they require is a little guidance and assistance. I am sure that my motion would have the support

of those in the Department of Fisheries who are more closely associated with the fishing community; and while I appreciate especially the work of the industrial development branch of the department, I hope my motion will receive the consideration that I feel it realistically deserves.

Therefore, I plead with the minister to consider this motion very carefully. May I suggest respectfully that there be a few test cases at strategic locations in the Atlantic provinces which depend on the fishery to evaluate the proposal which I put forward today, and I hope that I will have the support of my other colleagues who must have experienced like circumstances in their districts.

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): Mr. Speaker, first of all may I compliment the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) for his interest in, and concern for, the fisheries which are so vital to Newfoundland and to the welfare of Newfoundland fishermen. The Department of Fisheries and Forestry is, and always has been, acutely concerned with the improvement of facilities to enable fishermen to handle their catch and to expand and diversify their operations. The department has programs along this line and others designed, in one way or another, to increase fishermen's incomes and to improve their standard of living.

Many changes are presently underway that directly or indirectly affect the orderly development of the fisheries in Newfoundland. Resettlement, improved transportation, the swing from the salted to the frozen product, the harvesting of new or under-exploited species and stocks, and new catching and processing techniques, are just a few examples.

These factors make it difficult to come to hard and firm decisions about the location and type of facilities for handling fish. In the past we have built community stages at suitable places where fishermen can handle their own fish, especially for salting. There is now the feeling that fishermen should devote their full time to fishing—which is, of course, their principal occupation and the thing that they do best—and have their catches processed by workers at appropriate shore facilities. This would tend to produce more uniform and better quality salt fish.

Recently the government announced an expansion of its fishing vessel construction assistance. Under the new regulations, financial assistance—35 per cent of the approved cost—will be provided for eligible fishing vessels of all types built of any materials, 45 feet in length and over. For vessels 45 feet to 75 feet in length, funds in the amount of $2 million have been appropriated by the Department of Fisheries and Forestry, and applications from vessel owners are now under consideration.

For vessels more than 75 feet in length, assistance is available through the Department of Industry, Trade and Commerce by way of grants paid directly to shipyards after approval by the Department of Fisheries and Forestry. An expenditure of $3 million is projected for this program. This assistance is helpful in enabling fishermen to obtain larger, more up to date and more mobile boats which will make it possible for them to use different kinds of gear and catch additional species of fish, and, through this diversification, allow them to extend their fishing season. All these factors, details of which I will provide in a moment, may mean that we shall eventually have fewer but better serviced fishing centres for better boats where there will be improved unloading and handling facilities, better wharfing, haul-out and so on.

• (5:10 p.m.)

In the program for community fish processing and handling facilities, federal expenditure between the fiscal year 1953-54 and 1968-69 amounted to $4 million. Fifty-three community stages for saltfish were built, and 22 fresh fish holding units, as well as related marine works. The purpose was to meet the problems of Newfoundland fishermen in previous years, such as low individual productivity and indifferent quality of fish produced. In addition to the Newfoundland program, two fresh fish holding units were constructed in Nova Scotia and one in New Brunswick.

The department reviews the operation of this program every year with a view to assessing the use made of the individual units and the benefits accruing to fishermen. With some exceptions, the program is felt to have met its purpose in Newfoundland. As I intimated, no new community stage program is planned for the current year.

There are instances where some kind of facilities such as those proposed by the hon. member for Humber-St. George's-St. Barbe—something perhaps more elaborate than a community stage for fresh fish holding unit—would be desirable.

The 1970 report of Imbucon Services, a firm of consultants, recommends consideration of a program of licensed landing centres for the inshore fishery, a place for receiving fish and providing a number of services to fishermen. Part of the costs of the proposed operation might be covered in part by a levy on all fish moved over a dock serviced by the unit.

In co-operation with various provincial administrations the department undertakes fisheries development programs on a joint share basis. From April 1, 1962 to March 31, 1971 federal contributions in the Atlantic coast provinces will total just over $6 million, of which $2,758,000 will have been spent in Newfoundland. I should like to include details of these expenditures along with my remarks. Perhaps I might have the indulgence of the House to table these figures, Mr. Speaker.

Mr. Deputy Speaker: The hon. member has asked for consent to table certain figures. Does the House agree?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Is the hon. member asking that they be tabled or put in as part of *Hansard*?

Mr. McGrath: As an appendix to *Hansard.*

Mr. Corbin: Does the hon. member ask that they be appended to *Hansard?*

Mr. Deputy Speaker: Does the hon. member have permission to append this to *Hansard*?

Mr. Knowles (Winnipeg North Centre): Will it be appended to *Hansard* or put in as part of the hon. member's speech?

Mr. Deputy Speaker: If the hon. Parliamentary Secretary will agree, and I think this is the point raised by the hon. member for Winnipeg North Centre (Mr. Knowles), there has been a general practice that such information be included as an appendix to *Hansard* rather than part of the speech. There is some concern with reference to the printing of *Hansard* if we have voluminous material put in the body of the speech itself. If hon. members of the House will concur with me on this matter, and the Parliamentary Secretary will agree, perhaps the order we should make is that the information be printed as an appendix to *Hansard.* Is it agreed?

Some hon. Members: Agreed.

[*Editor's Note: For text of above document see Appendix*].

Mr. Corbin: Thank you, Mr. Speaker. In the fiscal year 1970-71 alone we have ten shared-cost projects in Newfoundland and five of these are for the west coast. These are experimental and development work on queen crab and mussels, exploratory work for crab and mussels from Barrie Bay to St. Anthony, a survey of Irish moss resources in the Port au Port-St. George's area, a survey of eel resources and experimental pair seining operations in the Port aux Choix area with a view to future vessel conversions if these are commercially feasible.

The other five are for other areas of Newfoundland. They are exploration for sand launce and capelin on the Grand Banks and off the south coast, development of capelin and herring traps and trap skiffs on the south and southeast coasts, a survey of inshore waters for commercial stocks of mussels and clams on the east coast, a study of the economics and feasibility of air transport of fresh fish to mainland and overseas markets and fishermen's technical upgrading. This last provides for an interchange of information on developments, techniques and equipment between fishermen with a view to improving their technical capabilities.

Then there is the Newfoundland bait service. This provides bait depot facilities for the benefit of Newfoundland fishermen at strategic locations in the province. It is a carryover of a provincial program for which the federal government undertook responsibility under the terms of union.

Fisheries Storage Facilities

Mr. McGrath: Mr. Speaker, I am rising on a point of order. I am trying to relate the Parliamentary Secretary's remarks to the wording of the resolution before the House. It seems to me the hon. Parliamentary Secretary is giving a complete review of all the activity of his department in the Province of Newfoundland. I respectfully submit to Your Honour that he should address himself to the resolution.

Mr. Deputy Speaker: I have been listening carefully to the Parliamentary Secretary who has been relating his remarks generally to fishing facilities in the Atlantic provinces. It may well be, however, that as quickly as he can he might move to a more specific discussion of the resolution.

Mr. Corbin: I would thank you, Mr. Speaker, but with respect I must point out that the various activities of fishermen in Newfoundland are interrelated to the point that one cannot consider a proposal separate from these various activities. I am endeavouring to point out to hon. members that, in spite of the fact that I tend to agree in principle with the remarks of the hon. member, there are grounds for agreeing that the department is working in the sense he wants. I will come to that point shortly, Mr. Speaker.

The fisheries groundfish loan program for 1969-70 was designed to overcome problems of fish processing companies which suffer a shortage of working capital and which were unable to obtain financing through regular commercial sources. In the five Atlantic coast provinces, and this includes Quebec, there were 42 participating companies of which 17 were in Newfoundland, with total loans amounting to more than $3,500,000 of which $2 million were in Newfoundland.

Federal responsibility under the Newfoundland fisheries household resettlement program, and this has a direct bearing on the remarks of the hon. member, which was begun in 1965, were transferred in the current year from the Department of Fisheries and Forestry to the Department of Regional Economic Expansion. A new federal-provincial agreement has just recently been negotiated extending the program for a further five years. Federal expenditure under the household resettlement program to March 31, 1970, totalled more than $5 million. Another $2,500,000 is provided for in the current year's estimates.

• (5:20 p.m.)

Mr. McGrath: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: Order. The hon. member is rising on a point of order.

Mr. McGrath: I say to you, Sir, with great respect, that the resettlement program and all the details the Parliamentary Secretary is going into have absolutely nothing to do with the resolution before us.

Mr. Deputy Speaker: I would think the relationship is a very broad one and, without having any particular

knowledge of the Newfoundland resettlement program to which the Parliamentary Secretary has referred, I suggest to him that perhaps he might indicate how it is related to the motion.

Mr. Corbin: With due respect, Mr. Speaker, perhaps I might refer to the motion put before the House.

[*Translation*]

—the government should consider the advisability of providing loans and grants to encourage the building and improvement of fishing facilities along the Atlantic coastlines—

[*English*]

Surely, we're not going to build these facilities in the outports from which people have been moved. This, I think, is pertinent to the hon. member's motion. I believe the hon. member for St. John's East (Mr. McGrath) is simply trying to confuse me, Mr. Speaker, so I will carry on.

An hon. Member: Did you lose your place.

Mr. Knowles (Winnipeg North Centre): You are doing very well.

Mr. Corbin: As I was saying, federal expenditures under the household resettlement program to March 31, 1970 total more than $5 million. Another $2.5 million is provided for in the current year's estimates. The activities of the Fisheries Prices Support Board in 1969-70 included, in addition to the loan programs which I have just mentioned, a saltfish deficiency program and a frozen groundfish stabilization program. The former was to assist salted cod fishermen who had experienced severe price declines as the result of oversupply and currency devaluation in traditional markets.

There were 5,400 payments in the Atlantic coast provinces for a total amount of more than one million dollars. Of these 4,700 payments in the amount of $950,000 were made to Newfoundland. The objective of the Frozen Groundfish Stablization Program was to forestall distress selling of frozen groundfish and to raise the market price of selected groundfish products to a point where basic costs were covered. Before this program was started the market price for cod blocks was 21 cents per pound. Before the end of the year the market price had risen to 26 cents and 27 cents. The program has been continued this year and the market price for cod blocks had risen to 30 cents per pound. The quantities of frozen groundfish acquired by the board in the five Atlantic coast provinces under the program were 17.5 million pounds valued at $4.25 million. Of these, 13 million pounds valued at $3,200,000 were in Newfoundland. During the peak production season the Fisheries Prices Support Board purchased 17.3 million pounds of cod blocks, 26 per cent of production, at prices ranging from 23 cents to 26 cents. Before the end of the year the entire inventory was returned to the industry at cost.

The Canadian Saltfish Corporation is now a going concern with the president and the headquarters operations based in St. John's, Newfoundland and the chairman in Ottawa. Newfoundland has joined the corporation and Nova Scotia and Quebec are considering joining. It is not clear if and when these provinces will actually join. New Brunswick and Prince Edward Island are watching the corporation's activities with interest, but their production of salt fish is relatively small.

Mr. McGrath: What does this have to do with additional storage?

Mr. Corbin: The corporation had to commence operations after the season had already started. However, initial prices were announced on May 31 before the fishermen started fishing. They were revised upward on July 1 this summer in the light of market conditions. These opening prices were higher than the fishermen had received in past years.

Mr. Deputy Speaker: Order. I hesitate to refer to this matter, but I do have to say very respectfully that the matter of pricing and the particular board to which the Parliamentary Secretary is referring are not directly related to the motion. I would respectively ask the Parliamentary Secretary to return to the subject matter of the motion.

Mr. Corbin: Thank you, Mr. Speaker. I think I appreciate your point. I shall endeavour to follow your directive. Perhaps I would be permitted to conclude my remarks to the satisfaction of hon. members opposite. Programs of benefit to fishermen in the Public Works sector in the Atlantic region include construction of wharves, breakwaters, shipways, and their repair and maintenance; the dredging of harbours and other related works. At the present time about 1,500 wharf facilities service fishermen in varying degrees. Of these, possibly 800 are truly fishermen's wharves. The Department of Public Works spends from $5 million to $7 million a year on support services to fishermen. There are 353 fishermen's wharves in Newfoundland. The Department of Regional Economic Expansion also has many programs related to the fisheries. There are quite a few projects under the Area Development Incentives Act. Payments for these in Newfoundland in 1969-70 amounted to $625,000, and in 1970-71, $500,000. Under the Regional Development Incentives Act project payments for 1970-71 amounted to $557,000. I hope the foregoing will reassure the member for Humber-St. George's-St. Barbe that the government is doing all it can to encourage the improvement of our Atlantic coast fishing facilities.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I think the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), in his opening remarks, very directly put before the House the problem faced by all fishermen in this area. I must say that while listening to the reply of the Parliamentary Secretary I felt he almost successfully ignored the resolution. What he put before us really sounded like the Atlantic coast segment of the annual report of the Department of Fisheries.

Mr. McGrath: That's right.

Mr. Barnett: I am not suggesting he was quoting directly from it, but it is the kind of review we expect to come from the department in a document of that kind.

Now, with what does the resolution concern itself? It raises a specific question about the need for better facilities for the collection and storage of all marketable species of fish. The hon. member proposing the motion put before the House the fact that fishermen in this area are taking fish which are potentially marketable but are suffering a loss of income because there are no available means for keeping the fish in proper condition and for getting them to market.

• (5:30 p.m.)

This is the question we should be discussing but which the Parliamentary Secretary failed to discuss. He made some reference to the difficulty of coming to firm decisions during a period when technological changes are taking place in the industry. I suggest that when we have an immediate, practical problem concerning fishermen placing fish on the market, fish which otherwise will simply go to rot, it is not good enough to sit back and say, "Things are in a state of flux. We may be getting technological changes that will provide an answer to this kind of problem ten years from now."

The hon. member for Humber-St. George's-St. Barbe suggests that we should do something now to deal with an immediate problem before these fishermen are forced out of the industry. Because of the decrease in their catch of cod and the unavailability of marketing arrangements for the other species they land, they can no longer afford to stay in the industry. That seems to be the kind of problem that has been placed before us.

I do not claim to have much knowledge of the particular problems of the Atlantic coast fishery. From observations I was able to make some years ago at first-hand and from discussions I have heard both in this House and in the committee, I know the problems are very different from those on the Pacific coast. On the Pacific coast we have developed techniques of mobile collection and mobile storage facilities, so that by and large the fisherman is not faced with this particular problem. We have fish-buying camps which move into the fishing areas during the fishing season. These are equipped with ice refrigeration. We have packers that travel the coast quite frequently, pick up fish from the fish-buying plants and take them to the processing plants or direct to the fresh fish markets. I do not know if anything like that would be applicable to the fishery in Humber-St. George's-St. Barbe, but it seems to me this is the kind of practical consideration that the hon. member is suggesting should be give by the House, by the government and in particular by the Department of Fisheries and Forestry to this question.

That is the question to which the Parliamentary Secretary should have addressed his remarks, rather than giving us a rambling review of the whole ambit of the activities of the Department of Fisheries on the Atlantic coast, with which many of us are already familiar having read the annual reports and listened to statements made in the Fisheries Committee. I hope that before this hour is concluded the House will give favourable passage to the resolution as an indication that we want to see practical and immediate steps taken by the department to deal with the problem which the hon. member has said exists.

[*Translation*]

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I was truly interested in listening to the comments of the Parliamentary Secretary to the Minister of Fisheries and Forestry (Mr. Corbin). This is the first time that we hear him speak on the problem of fisheries. I was struck by one thing: his comments applied mainly to Newfoundland.

[*English*]

The motion presented by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) affects not only the province of Newfoundland but the whole of the Atlantic provinces. The Parliamentary Secretary dealt mainly with the problems in Newfoundland, but I think the motion is more encompassing than that. The Parliamentary Secretary said the department had introduced shipbuilding grants. Mr. Speaker, if we increase the fishing facilities we must also increase the cold storage facilities. The hon. member for Comox-Alberni (Mr. Barnett) made a very interesting suggestion about mobile facilities. I shall later seek further details on that point. While the Parliamentary Secretary was speaking I noticed that his predecessor was trying to assist him. I suspect that he also wants to participate in the debate, so I shall not be too long. This motion is one that I commend to the House. It refers to—

> —the advisability of providing loans and grants to encourage the building and improvement of fishing facilities along the Atlantic coastlines for the better collection and storage of all marketable species of fish.

The House is aware that a bait freezer and cold storage subsidy program was suspended last year and that the suspension was to last for approximately two years. Following my inquiries the Minister of Fisheries (Mr. Davis) wrote to me as follows:

> The Fishery Products Storage Regulations which came into effect in 1967, provide for assistance towards the cost of construction and equipment or modification required for refrigerated storage of fishery products and authorize the Minister of Fisheries to make a payment to the applicant "of one-third of the cost of the commercial facility but in no case shall the amount of the payment exceed one hundred and fifty thousand dollars."
>
> However, due to the necessity of reducing government expenditures, we have had earlier this year to suspend payments under these regulations. It seems unlikely that funds will be provided for that purpose in the next fiscal year and therefore no new applications are being accepted. I can assure you, however, that if the financial climate improves the regulations will again become operative.

Within the last couple of weeks the Prime Minister (Mr. Trudeau) has stated that the government is anxious to get the economy moving again. Therefore I submit that this program should be reintroduced. The Minister of Fisheries did not openly condemn the program;

simply suspended it for a year or two. I can see the government has been on a savings binge, if one wants to call it that, for the past several years. I commend it for that. But the people who have suffered are those at the bottom of the ladder, including fishermen and pensioners. Be that as it may it seems the government now wants to increase expenditures to get the economy rolling again.

The minister's letter saying "if the financial climate improves the regulations will again become operative" seems to support the motion that is before the House. However, the Parliamentary Secretary did not state whether the department was in favour of this type of program. Mr. Speaker, such a program would stimulate the economy and reduce unemployment in some parts of the country. The fact is that individual fishermen cannot afford to provide themselves with proper cold storage facilities. Often when fishermen reach port, buyers cannot buy all the fish they have caught; therefore, the fishermen have either to throw away the surplus fish, try to find another buyer or find some place in which to store them. Proper storage facilities would remedy the situation.

• (5:40 p.m.)

Over the past several years I have had many inquiries from groups of fishermen asking that this type of program be reinstituted. Several co-operative movements in my riding have inquired about it because at present they do not have proper facilities. The government might say they want to save money and cannot provide a subsidy to everybody who asks, but if they do not want to accept this motion in its entirety perhaps they could provide low-interest loans. The fishermen then could operate on a co-operative basis as they have been doing.

This type of motion lends itself to many types of facilities other than cold storage. The fishermen could have loans made available, or grants, in order to improve facilities. I know of a case where a canal had to be dredged by the fishermen themselves because it was badly needed for the coming season and the Department of Public Works would not carry out the work. The fishermen did it, but they were not compensated. If loans or grants were made, in the long run it would save the department money. The fishermen would be willing to accept loans, if not grants, to improve their facilities. This motion is a good one, Mr. Speaker, and I feel that it should be supported.

Mr. James A. McGrath (St. John's East): Mr. Speaker, this motion will obviously commend itself to all members of the House, so I shall not take up too much time because I know the House is ready to come to a conclusion on it.

Some hon. Members: Hear, hear!

Mr. McGrath: The motion merely calls upon the government to consider the advisability of providing loans and grants: we are just asking the government to take this matter into consideration. We heard the Parliamentary Secretary to the Minister of Fisheries and Forestry (Mr. Corbin) read a précis on the annual report of that department which was not relevant to the motion before the House. We had hoped that he would have addressed himself to the motion because it is a very important one, underlining as it does a serious deficiency in the Department of Fisheries and Forestry for which the Parliamentary Secretary now has some responsibility.

Every year in my constituency we have the spectacle of hundreds of thousands of pounds of fish being dumped into the water because there is no space to hold them until buyers can be found and the fish can be transported to market. This resolution merely calls upon the government to provide these facilities and, in effect, preclude the necessity for this terrible waste of a very valuable high protein food. There are many fishermen within the city of St. John's, and a number of fishermen in the small areas surrounding St. John's, but there are no fish plants: there are only two small units to receive the catches. There were two large plants in the city itself but they were forced to close because of market conditions and other factors of which I am not fully aware.

Certainly, if cold storage units were built at strategic points along the coasts of Newfoundland, Nova Scotia and New Brunswick—and I offer my own constituency as an example—it would preclude this terrible waste of high protein food and would help the fishermen. The catch could be held until it was determined whether there was a market for it. Fish is a very perishable product, and under the present circumstances, if no buyer is immediately available there is no alternative but to dump it and the fishermen is in the unhappy position of labouring for naught.

This is a very serious matter, Mr. Speaker, and I regret that the Parliamentary Secretary did not seem to comprehend its importance. I hope the House will be constrained to allow this matter to come to a conclusion. By this motion we are asking the government to consider the advisability of providing loans, etc., to provide fishermen with the facilities to store the catch until a market can be found.

The Parliamentary Secretary referred to bait holding depots. These can be utilized and called upon; the precedent is already there. We could have depots to hold groundfish or herring and the product could be preserved until marketing conditions improved. Therefore, Mr. Speaker, I would urge the House to give favourable consideration to this most important resolution which affects so many of our fishermen and means much to them.

Mr. Tom H. Goode (Burnaby-Richmond-Delta): Mr. Speaker, I would like to join the previous speakers in congratulating the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) for bringing this motion before the House. The plight of the fisheries industry along the Atlantic coast in general, and Newfoundland in particular, has been of very great concern to us all. I am pleased that the hon. member who moved this motion has given the government another opportunity to demonstrate, as the Parliamentary Secretary to the Minister of Fisheries and Forestry (Mr. Corbin) has done during this debate, what action has been taken to

improve the lot of the fishermen and their families. Nevertheless, I agree with the mover of this motion that there is need for more facilities on the Atlantic coast.

The measures which the government has taken, and those programs which are on a continuing basis, are designed to assist the Newfoundland fishermen to help themselves. They are proud and rugged individualists who dread any thought that they might end up on the dole. These people have a tradition of working for a living and are not looking for handouts. Yet no one would deny that the typical Newfoundland fisherman is hard pressed. For long hours, in rough seas and using the most primitive of equipment, he earns $900 a year. He earns $900, on the average, for a full year's fishing. The over-all income of the average family in our outports in Newfoundland is only about $2,300. That is less than $200 a month. More than half of this income derives from what we call transfer payments. More than half of the $2,300, in other words, is made up of old age pensions, family allowances, unemployment insurance and welfare cheques paid under our new Canada Assistance Plan.

As I have said, to be on the dole is still thought to be degrading in Newfoundland. I wish that were still the case in British Columbia. Unemployment insurance, because they believe it is somehow related to production, is a little more respectable. So are old age pensions. But welfare, straight welfare, is only a last resort and one which this government rejects as a solution to the problems of these fine workers.

Mr. McGrath: I rise on a point of order, Mr. Speaker. I am trying desperately to relate the hon. member's remarks to the motion before the House, and I find it very difficult to do so.

Mr. Speaker: The hon. member has heard the point of order raised by the hon. member for St. John's East (Mr. McGrath). He knows, as do all hon. members, that remarks must be related at all times to the matter before the House. I am sure the hon. member can relate the remarks he is making to the motion under consideration.

• (5:50 p.m.)

Mr. Goode: I thank the hon. member for St. John's East (Mr. McGrath). The point I am trying to make is that the government must assist these people by providing facilities. It must understand that the situation which now exists, which I have been trying to outline to the House, is intolerable. Until we understand the situation that these people face, I do not think we can say whether this notice of motion is worth while or not.

I should like to discuss in detail the problems of the inshore fishery. That would, I think, take into account the hon. member's position. About one year ago, in a report published by the Atlantic Development Board the following appeared:

> —the inshore fishery throughout the Atlantic provinces is an instrument of poverty. Far to many men, boats and equipment are being applied to a basically limited resource.

This is what the Atlantic Development Board said, and those words apply to the motion we are discussing this evening. Long-run trends are disturbing. In Newfoundland, for example, the number of inshore fishermen has risen over the past decade despite a 25 per cent drop in the landings of fish. The inshore catch has fallen from 200,000 metric tons in 1956 to around 150,000 tons at the present time. Real incomes, however, have remained relatively constant because the price of fish has gone up faster than that of most other goods and this has offset the decline in the number of fish caught. Therefore, Mr. Speaker, in conclusion—

Mr. McGrath: Question.

Mr. Goode: Therefore, in conclusion, I agree with the hon. member's notice of motion. I compliment the hon. member for Humber-St. George's-St. Barbe for bringing it before the House. I certainly do not wish to talk it out and therefore I shall resume my seat.

Mr. Knowles (Winnipeg North Centre): Question.

Mr. E. F. Whelan (Essex): Mr. Speaker, the hon. member's notice of motion covers the entire Atlantic coast. In the four minutes remaining I shall try to talk about a small part of it. I believe his motion is a worthy one. Before embarking upon my speech I think I should say that the government has been doing in a very energetic fashion what he suggests it should do. For two years at least it has carried on such activities under the capable leadership of the Minister of Fisheries and Forestry (Mr. Davis) and the Minister of Regional Economic Expansion (Mr. Marchand).

Mr. Knowles (Winnipeg North Centre): The hon. member was Parliamentary Secretary to one of those ministers. Things have now changed.

Mr. Whelan: I do not think things have changed very much, Mr. Speaker. Actually, in these areas we are moving a little faster than before. The motion before the House deals with an important aspect of the fishery, namely, collection and cold storage facilities. Although important, it deals with only one aspect of a very complex activity. This activity is broader than that with which the motion on the Order Paper attempts to deal. These cold storage facilities are closely related to the number and location of fishermen, the number and size of fishing vessels used by fishermen, the volume of the catch, the availability of harbour facilities, the location of processing plants, and so on.

Moreover, the Atlantic coast fishery is experiencing significant changes. Fishing effort is increasingly oriented toward deep sea activity, with larger and more sophisticated fishing vessels, while inshore fishing is receding in importance. As the previous speaker said, there is still a great deal of inshore fishing and we should like to see a change in this area. As he pointed out, we can provide subsidies for sophisticated fishing vessels and encourage their construction. In addition, Mr. Speaker, more of the catch is being processed into fresh and frozen fillets and less is being cured. Also, more landings are concentrated in locations with large processing plants.

It must be readily apparent that it would not be wise to adopt a new general policy to provide for better collection and cold storage facilities, let alone a set level and amount of financial assistance, until we can see where it fits into the general fisheries development policy. The definition of such a policy will incorporate the matter of collection and storage facilities. The prime responsibility of fisheries development, of course, lies with the Department of Fisheries and Forestry. However, the Department of Regional Economic Expansion has since its inception had a direct interest in this significant regional economic activity.

Several of DREE's activities are specifically oriented toward the Atlantic coast fishery. Financial assistance is available for new fish processing plants and for the modernization and expansion of existing plants under the Regional Development Incentives Act. Assistance provided under this program since July 1, 1969, amounts to $1.7 million. The federal-provincial agreements under the fund for regional economic development for northeast New Brunswick and Prince Edward Island also included substantial fisheries development programs. DREE is also contributing in a significant manner to the development and rationalization of the Newfoundland fishery by way of the Newfoundland resettlement program. Again, DREE is at present negotiating renewals of ARDA agreements with the provinces of Newfoundland, Nova Scotia and New Brunswick.

Mr. Speaker: Order, please. I regret very much that I have to interrupt the hon. member. I must advise the House that the hour set aside for the consideration of private members' business has expired. I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

PUBLIC ORDER (TEMPORARY MEASURES) ACT 1970

PROVISION OF EMERGENCY POWERS FOR PRESERVATION OF PUBLIC ORDER

The House resumed consideration in committee of Bill C-181, to provide temporary emergency powers for the preservation of public order in Canada—Mr. Turner (Ottawa-Carleton)—Mr. Laniel in the chair.

The Deputy Chairman: At five o'clock, the Committee of the Whole was considering clause 15 of Bill C-181, particularly the amendment moved by the hon. member for Fraser Valley West. The Chair feels it might be useful at this time to read the amendment:

> That section 15 be amended by adding the following words as subsection (2):
>
> (2) a Notice of Motion in either House signed by ten members thereof and made in accordance with the rules of that House, praying that an earlier day for the expiry of this act shall be fixed by proclamation, shall be debated in that House at the first convenient opportunity within four sitting days after notice thereof is given,
>
> and renumbering the first paragraph of section 15"(1)".

The hon. member for York South moved the following subamendment:

> That the amendment be amended by adding after the word "given" the words "provided that such a motion should be made only once before April 30, 1971."

Is the committee ready for the question?

Mr. Lewis: Mr. Chairman, I rise to point out that I realize the provision in the bill for the possibility of extending it beyond April 30, 1971, by joint resolution of both Houses of Parliament, and that my subamendment relates only to April 30, 1971. I think it is in order to have it worded that way, for two reasons. First, my mind boggles at the thought of the government asking for an extension of this legislation or at Parliament granting such an extension. Second, a resolution that may become necessary or possible seeking an extension of this bill can contain the discretion of the government to terminate the force of the bill before the date set out in such resolution and can also contain a provision for ten members of the House to be able to place a motion on the table which, if it does not contain such provision, an amendment can be moved at that time. While the point raised by the hon. member for Edmonton West drew a very important matter to our attention, it does not negate the value of either the amendment, or the subamendment.

I moved my subamendment in response to a challenge from the other side concerning a motion being lodged with the House every day. As I considered it over the dinner hour, I felt that one might have thought of that earlier. It is a good suggestion even though, as I indicated earlier, it will not be necessary. It is a good suggestion that a motion of this kind be moved only once during the first period, and I hope the last, that this bill remains in force. It is a good idea to have that provision.

With that wording in the amendment, Mr. Chairman, I wonder whether it is possible to persuade the minister to accept it. With the subamendment there is now a limitation of one motion prior to April 30, 1971. If so, all that I said earlier, which I will not repeat, holds true. There is not anything in the bill that is interfered with in any way by this provision. With the safeguard of only one motion written into the amendment, it seems that the minister, the government, members opposite and this House in general should not have the slightest hesitation in providing this extra parliamentary safeguard of a motion moved by ten members of the House. I rose merely to make these comments in support of both the amendment and the subamendment.

Mr. Turner (Ottawa-Carleton): I said before the dinner adjournment, Mr. Chairman, that there is provision in clause 15 to give Parliament control over any extension beyond April 30. Any extension has to be endorsed by resolution of both Houses of Parliament. I said we could not accept the amendment nor the subamendment because Parliament has the initial guarantee that the bill cannot go beyond April 30. For the earlier termination, it remains necessarily within the discretion of the government to analyse the situation.

If in the period between now and April 30 any opposition party or any Member of Parliament is dissatisfied with the administration of the bill, there is always the option under Standing Order 26 for leave to make a motion for the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration. Under Standing Order 43 a member, by way of unanimous consent, may in the case of urgent and pressing necessity previously explained by the mover, introduce a motion. There are also available the opposition days.

What disturbs me about the amendment, even if the motion were available only once, is that it takes the control of the business of the House away from the government. It prevents the government from discharging its responsibility of initiating business for the consideration of Parliament. The hon. member for Winnipeg North Centre made the point that if by proclamation endorsed by both Houses the bill, or the force of the law, were extended, there is nothing in the clause as it presently reads to provide for its termination by proclamation after it had once been extended. I would be prepared to meet that point.

• (8:10 p.m.)

Mr. Knowles (Winnipeg North Centre): If the minister is prepared to recognize the point, how does he propose to meet it?

Mr. Turner (Ottawa-Carleton): When I have the floor at an appropriate time I will propose adding the words, after the last line of the clause, "in which case this act expires either on that specific date or at such earlier date as may be fixed by proclamation." This would meet the point which the hon. member raised. But I cannot get the floor to make that amendment until the committee has dealt with this one.

Some hon. Members: Question.

Mr. Knowles (Winnipeg North Centre): Before we vote on this amendment and subamendment, I feel inclined to ask the minister whether he was serious in suggesting we would be able to deal with this kind of circumstance under Standing Order 26 or under Standing Order 43. Surely the minister is aware of what happens to attempts to move motions under Standing Order 43.

An hon. Member: Because you don't consult the government.

Mr. Knowles (Winnipeg North Centre): I hope that brilliant intervention is on the record. The hon. member says, "Because you don't consult the government." In other words, his concept of the rights of an opposition is that it is entitled only to such rights as the government is prepared to give it. I do not believe that even the Minister of Justice goes that far. If the government were prepared to give unanimous consent for a motion under Standing Order 43, it would mean the government was prepared to discontinue the use of this legislation and, hence, would be able to do so, through the exercise of its own rights under the bill. So that argument falls to the ground. As for using Standing Order 26, the minister is well aware of the problems we have with Mr. Speaker in getting motions accepted under that order, and if we do succeed all that follows is a general discussion. In my view, the seriousness of this issue is such as to warrant a built-in right to deal with this question without the matter being left to the judgment or opinion of Mr. Speaker.

I would point out that this right is included in the part of the War Measures Act which was amended by the Canadian Bill of Rights and I believe the request we have made is a legitimate one, namely, that Parliament should be put on all fours with the government in terms of having the right to seek the ending of this legislation. I am glad the minister is prepared to make the minor amendment to which he referred a moment ago to correct the situation to which I drew attention at five o'clock, but it does seem to me we should not be asked to rely on Standing Order 43 in connection with this important measure and that we should be on even terms with the government as far as this important aspect is concerned.

Mr. Barnett: Mr. Chairman, I have listened to some strange arguments in this House during the years I have been in it, but this is the first time I have heard it suggested that what should or should not be contained in a particular piece of legislation should be related to the Standing Orders governing this chamber. I can understand such an idea being put forward jocularly amid the cross-fire which sometimes takes place during debate, but to hear the Minister of Justice seriously suggest that the point raised in an amendment should be met by what appears in our Standing Orders seems amusing, to say the least.

If we were to follow that logic through, the obvious thing to do would be to pass an amendment to the Bill of Rights saying, in effect, that Parliament should be governed by the wishes of the government as far as its timetable is concerned. I believe the minister would not suggest, on reflection, that all the proceedings in this chamber should be ruled by the wishes of the government. Since the Bill of Rights makes provision for a motion, set down presumably on reasonable grounds, calling for a debate it is surely not out of place to incorporate a similar provision in a measure so closely related to the War Measures Act as this one.

Mr. Turner (Ottawa-Carleton): May I ask the hon. member a question? Is he not aware of one substantial difference between the two measures to which he has referred? There is no termination date attached to a

proclamation of the War Measures Act, but there is a termination date in this bill.

Mr. Barnett: That reminds me of a phrase one sometimes hears, that it is not really safe to be just a little pregnant. That covers the substance of the argument as far as I am concerned. But I must say I found myself resenting the suggestion by a minister that our position in relation to a bill should be influenced by whether or not the government has control over the business of the House.

Amendment to the amendment (Mr. Lewis)) negatived: Yeas, 26; nays, 65.

The Deputy Chairman: I declare the amendment to the amendment lost. Is the committee ready for the question on the amendment moved by the hon. member for Fraser Valley West? The hon. member for Halifax-East Hants.

Mr. McCleave: Mr. Chairman, I was about to ask a question after this particular matter had been disposed of. Perhaps I might retain that right.

Amendment (Mr. Rose) negatived: Yeas, 33; nays; 58.

• (8:20 p.m.)

The Deputy Chairman: I declare the amendment lost. Shall clause 15 carry?

Mr. McCleave: Mr. Chairman, thank you for retaining my dubious point of privilege in this matter. May I ask the Minister of Justice a question, which I think is a rather serious one, arising out of the effect of the act or regulations—

The Deputy Chairman: Order. Is the hon. member rising on a question of privilege?

Mr. McCleave: No; the hon. member is rising to ask a question of the Minister of Justice. Now I shall have to start all over again, Mr. Chairman. What I wanted to ask the Minister of Justice was a very serious question arising out of the fact that sooner or later either the regulations passed under the War Measures Act or under this particular legislation will cease to have force and effect. I should like to know what happens when we reach the deadline for the operation of this legislation, and I presume of the regulations, of April 30, 1971. Supposing a person is serving a 15-month term, by reason of his membership in the FLQ, which expires beyond April 30 of next year. I want to find out for the committee and for the country what will be the legal effect of that situation.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, subject to any other action taken by Parliament, any action taken under this legislation while it is validly in force will, of course, persist until completion of sentence.

Mr. McCleave: Then I ask a supplementary question. Would this legislation remove from that person any right to parole or to time off for good behaviour if the person concerned were still serving his sentence when the act and regulations expired on April 30, 1971?

Mr. Turner (Ottawa-Carleton): No, sir.

Mr. Hogarth: Mr. Chairman, as undertaken by the Minister of Justice a moment ago, I move the following amendment:

That Bill C-181 be amended by striking out lines 18 and 19 on page 9 and substituting the following:

"in which case this act expires either on that specified day or on such other earlier day as may be fixed by proclamation."

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I should like to say that I appreciate the fact that the minister has met the point that I raised just before five o'clock. The amendment that he has proposed seems to do that. We welcome it and shall, of course, vote for it.

An hon. Member: Don't commit me.

Mr. Lewis: You may have to move a subamendment.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I am getting some legal, if non-parliamentary, advice to the effect that I should try to move an amendment to add the words, "or if advancing the date is proposed by ten members". But it has been made clear that the government does not look kindly on what ten members might do.

An hon. Member: Ten Liberal members.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, one thing we are getting tonight is absolute honesty from members on the other side. A few minutes ago I was told that if only I would consult the government before moving motions under Standing Order 43, they would be all right. Now we are told that if ten Liberal members ask for something, then that is all right. At least we understand the place that the Liberals have in Parliament for anyone who is not a Liberal.

Before I had these interruptions from the right and the left I was merely going to say that I wish the minister had taken the same attitude toward some of the more important points that we have raised during the course of this debate.

Mr. McCleave: Mr. Chairman, I think there is a question of paternity here. I think 60 per cent of the credit for paternity should go to the hon. member for Edmonton West, 30 per cent to the hon. member for Fraser Valley West or the hon. member for York South, and 10 per cent to that little, small "1" liberal band that met in Ottawa over the weekend.

Amendment (Mr. Hogarth) agreed to.

The Deputy Chairman: Shall clause 15 as amended carry?

Mr. Lewis: On division.

Clause 15 as amended agreed to.

On clause 3—*Unlawful association.*

The Deputy Chairman: Shall clause 3 carry?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, when we were dealing with clause 3 at the beginning of the discussion of the bill, the hon. member for York South drew to my attention the fact that in his opinion there was some divergence between the operation of the second paragraph in the preamble and the definition of an unlawful association to be found in clause 3.

I think I can meet the point that he made in this way. The definition of an unlawful association in clause 3 includes:

> —le Front de Libération du Québec, and any successor group or successor association of the said le Front de Libération du Québec, or any group of persons or association that advocates the use of force or the commission of crime as a means of or as an aid in accomplishing the same or substantially the same governmental change within Canada as that advocated by the said le Front de Libération du Québec—

And so on. The question that the hon. member for York South and the hon. member for Nanaimo-Cowichan-The Islands put to me was: What kind of governmental change are you talking about? May I quote from the second paragraph of the preamble, which refers to:

> —accomplishing governmental change within Canada with respect to the province of Quebec or its relationship to Canada—

Mr. Woolliams: Why do you not put that in the clause?

Mr. Turner (Ottawa-Carleton): Exactly. That was the point that the hon. member for York South and the hon. member for Nanaimo-Cowichan-The Islands made, and I referred them to certain authorities on statutory construction. I also refer to section 14 of the Interpretation Act, which reads:

> (1) The preamble of every act shall be deemed a part thereof, intended to assist in explaining the purport and object of the act.

• (8:30 p.m.)

I felt this was clear. However, in order to remove any doubt—and I might say the hon. member for Calgary North made this point in his reference to Driedger in the early part of the debate—I am prepared, with the courtesy of the committee, to have my colleague the hon. member for New Westminster, in the absence of my Parliamentary Secretary who has been called away from the committee by a death in the family, move the appropriate amendment.

Mr. Woolliams: Mellowness such as this is beyond me. Could we start over again?

Mr. Hogarth: Mr. Chairman, I move:

> That Bill C-181 be amended
> (a) by striking out line 10 on page 3 and substituting the following:
> "mental change within Canada with respect to the province of Quebec or its relationship to Canada as that" and
> (b) by striking out line 39 on page 3 and substituting the following:
> "Canada with respect to the province of Quebec or its relationship to Canada as that advocated by the unlaw—"

The first six letters are part of "governmental".

The second part of the amendment is consequential upon the first part.

The Deputy Chairman: The Chair wishes to bring to the attention of the committee the fact that the amendment moved by the hon. member for Westminster to page 3 of the bill relates to two clauses. In view of the fact that only clause 3 is before the committee at this stage, the Chair feels we would need unanimous consent to put the two amendments at the same time, otherwise the Chair would be forced to limit the discussion to the amendment to clause 3. Does the committee agree that the Chair put the two amendments together?

Some hon. Members: Agreed.

Mr. Gleave: Put the one on clause 3.

The Deputy Chairman: There seems to be disagreement, so the Chair will put the amendment to clause 3. It is moved by the hon. member for New Westminster:

> That Bill C-181 be amended
> (a) by striking out line 10 on page 3 and substituting the following:
> "mental change within Canada with respect to the province of Quebec or its relationship to Canada as that"

The Chair recognizes the hon. member for Saskatoon-Biggar, unless the hon. member for Peace River is rising on a point of order.

Mr. Baldwin: No, Mr. Chairman. I looked back but did not see the hon. member rise.

Mr. Gleave: Mr. Chairman, I wanted the discussion to be on clause 3 instead of taking the two clauses together. I should like the mover of the amendment to explain the purpose of the amendment.

Mr. Hogarth: Mr. Chairman, in respect of the change to clause 3, in the definition it automatically brings about the change in line 39 on page 3, so the two definitions coincide. One is merely consequential upon the other.

Mr. Baldwin: We are going to agree to this amendment, but it has been called to my attention by the learned author of "Woolliams on Statutory Amendments" that the way to get an amendment through is to call to the government's attention the mistakes in the legislation, rather than having the audacity to move an amendment, and then when the time comes the government will move the amendment themselves.

[*Translation*]

Mr. Laprise: Mr. Chairman, with regard to the amendment just moved by the hon. member for New Westminster, (Mr. Hogarth) I find somewhat strange that only the

province of Quebec should be mentioned. The following text is suggested as a substitute for line 10 on page 3:

"mental change within Canada with respect to the Province of Quebec or its relationship to Canada as that"

I wonder why the act could not apply to all the other provinces, if the need should arise.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the hon. member will notice that the second Whereas on page 1, in the preamble, at lines 12 and 13, stipulates as follows:

—governmental change within Canada with respect to the Province of Quebec or its relationship to Canada—

The only effect of the amendment would be to transfer words from the preamble to clause 3.

It is obvious that the bill is restricted to the FLQ whose purpose is to bring about "a governmental change with respect to the Province of Quebec or its relationship to Canada" through force or violence.

The bill is not limited to Quebec but to the FLQ which seeks to accomplish a governmental change in Quebec or with respect to its relationship to Canada.

Mr. La Salle: Mr. Chairman, I would like to ask the Minister of Justice a question.

If I am not mistaken, the amendment would delete the terms "à peu près". The amendment would read as follows:

—"un changement de gouvernement identique ou à peu près identiques."

Does the amendment of the hon. member strike out the words "à peu près"?

Mr. Turner (Ottawa-Carleton): No, Mr. Chairman, the last words of the amendment are:

—"changement de gouvernement identique ou à peu"

—but the following line will be the same, beginning with the word "près", so that both words are not struck out.

Mr. La Salle: Mr. Chairman, this clause seems somewhat vague when it refers to " un changement de gouvernement identique ou à peu près identique à celui préconisé par ledit Front de libération du Québec." Either it is the same or not—

Mr. Turner (Ottawa-Carleton): Mr. Chairman, lines 8 and 9 only are changed. Line 10 which starts with the word "près" remains the same. The amendment ends with the word "peu". Therefore, the words "à peu près" remain in the text.

Mr. Lambert (Bellechasse): Mr. Chairman, I should like to ask the Minister of Justice what would happen, for instance, if a similar situation occurred in another province. Would Bill C-181 apply anywhere in Canada or would it be limited to a particular territory?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the law will apply throughout Canada and will affect the FLQ or any successor association.

[Mr. Laprise.]

[*English*]

Mr. Gleave: What I really want to know, Mr. Chairman, is whether this amendment will limit the application of this measure to the province of Quebec.

Mr. Turner (Ottawa-Carleton): No.

Mr. Gleave: Then what is the purpose of the amendment?

Mr. Turner (Ottawa-Carleton): The purpose of the amendment is to ensure that the definition of the purpose of the FLQ is properly set out in clause 3 and does not merely depend upon the relationship between clause 3 and the second paragraph of the preamble. This was pointed out to me by the hon. member for Calgary North and the hon. member for York South.

[*Translation*]

Mr. Matte: Mr. Chairman, after reading clause 3 and the amendment, I remain quite puzzled because one might even wonder whether, in this clause, we really want to condemn the means used by the terrorists or whether it is not precisely the purpose sought by those resorting to these means. We seem to condemn both. The purpose might be highly commendable, but the means could be wrong.

After reading the amendment I find that this is anything but clear. We wonder where we are going. Which means that if, for instances, force and terrorism are used as a means to achieve another purpose, it would be accepted. Should the amendment not simply state that those who use or want to use force and violence as a means to achieve a purpose, are guilty anywhere in Canada?

Why should this legislation apply solely to Quebec? Why condemn all those using violence and terrorism to reach objectives that are not necessarily condemnable?

With this amendment and under section 3, the aim is condemnable as such. In fact, Section 3 reads in part as follows:

—any group of persons or association that advocates the use of force or the commission of crime as a means of or as an aid in accomplishing the same or substantially the same governmental change within Canada as that advocated—

I cannot see at all why the proposed change could be acceptable that is not what should be condemned but the means and it could be done by anybody even outside Quebec.

This amendment to Section 3 could be interpreted as meaning—as stated by the Quebec Minister of Justice—that the underworld could use terrorism, machine guns and bombs, that it is acceptable for underworld as we should not be unfair to them. But when it is a political matter, action is an absolute necessity. I quite agree on this but let us write a law designed to check violence and terrorism whatever the purposes. Indeed, one could very well resort to violence and terrorism for very noble objectives.

This is why I find this amendment complex and prejudicial to Quebeckers.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I agree with the hon. member that we should be against terrorism and crime. This bill only deals with force used or crime used to overthrow a government in Quebec with respect to the rest of Canada, whether by the FLQ or another association that might succeed it. I agree with the hon. member, but the target of this bill is the FLQ.

Mr. Matte: In other words, Mr. Chairman, in order that we may come to understand each other, we could easily, through this clause, attack the P.Q. for instance. What is the opinion of the hon. minister in that respect?

Mr. Turner (Ottawa-Carleton): It is only the overthrow of the government by persons or groups of persons who advocate the use of force or crime or violence, which is faced. Therefore—

Mr. Matte: Mr. Chairman, I understand as far as the use of force and terrorism is concerned. We all agree on that, there is no doubt about it. However, as to the second point, it is that we could eventually use it "as a means of accomplishing the same or substantially the same governmental change within Canada." The P.Q. could advocate "the same government change" as—

The Deputy Chairman: Order, please. The Chair wonders whether the hon. member for Champlain is discussing the amendment before the House or clause 3 itself. At the present time, we have before us an amendment which, if I correctly understand the English version, seems to link this legislation to the province of Quebec. At this stage, it might advisable not to go too far with other points that could have reference to clause 3.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, in reply to the question put by the hon. member, I should say that all the words have to be read as a whole. The bill is directed at the FLQ and any eventual successor group. The FLQ is defined as "any group of persons or association that advocates the use of force or the commission of crime as a means of accomplishing governmental change within Canada—" All these words have to be taken as a whole. The words "force" and "crime" cover everything.

I do not see the problem faced by the hon. member. I appreciate his viewpoint; however, I believe that he should not worry.

Mr. Asselin: Mr. Chairman, may I ask an explanation from the Minister of Justice?

The words "the same governmental change" have an extensive and at the same time a quite restrictive meaning. What would happen, for instance, if some members of the FLQ kidnapped a prominent government figure or a member of Parliament to force the government to enact legislation designed to nationalize, let us say, Bell Canada? That could happen.

The words used now are "the same governmental change". A similar definition appears in the Criminal Code about sedition. What would happen if the FLQ resorted to violence to compel the government to enact legislation?

• (8:50 p.m.)

Let us take as an example the nationalization of Bell Canada. Suppose some people kidnap the Minister of Justice (Mr. Turner) and tell this government: We shall not free the minister unless you nationalize Bell Canada. Would such a tactic be considered an effort aimed at a governmental change? Then, the law is neither comprehensive nor clear enough.

Mr. Turner (Ottawa-Carleton): This would apply merely to a change or an overthrow of government. I suggest, Mr. Chairman, that it could not be clearer.

Mr. La Salle: Just one comment, Mr. Chairman. On page 1, line 11 of the bills it says:

> ...as a means of accomplishing governmental change within Canada with respect to the Province of Quebec...

Would it not be possible to simply say: "as a governmental change within Canada with respect to the provinces or their relationship to Canada"?

I do not see why the Province of Quebec is the only one mentioned, as if the FLQ could be active only in Quebec. I wonder if this is not simply a question of a special law for Quebec. I am aware that under the circumstances, this is maybe so...

Mr. Turner (Ottawa-Carleton): Mr. Chairman, according to the FLQ manifesto, its purpose is to overthrow by force the Quebec government or the Quebec government in relation to the rest of Canada, i.e. to separate Quebec from Canada by force.

In order to limit the object of this bill, only the FLQ is mentioned, the goals of which must be defined, namely overthrowing the Quebec government by force, by crime, or separating the Quebec government from the rest of Canada, by force or by crime.

Such are the goals of the FLQ and that is why the scope of the bill is so restricted.

Mr. Asselin: Mr. Speaker, I would like to put another question.

The Deputy Chairman: Order. The hon. member for Joliette.

Mr. La Salle: I would like to ask the minister whether in his opinion the FLQ has any intention whatsoever of undermining the Canadian government.

Mr. Turner (Ottawa-Carleton): I am sorry, Mr. Speaker, but I did not understand the question.

Mr. La Salle: I would like to know whether, in the view of the minister, the FLQ will attempt or has attempted to destroy the Canadian government.

Mr. Turner (Ottawa-Carleton): Perhaps, in relation to Quebec, yes.

Mr. Matte: Mr. Speaker, I would like to go back to the wording of the amendment which reads as follows:

—aid in accomplishing the same or substantially the same governmental change within Canada with respect to the province of Quebec or its relationship to Canada—

I have this question which I want to ask the minister: Let us suppose the FLQ or some other similar group advocated the use of force and terrorism as a means of supporting Canadian federalism, an assumption not provided for in the bill before us, what would happen? It could very well happen that a group of terrorists most anxious to reaffirm Canadian federalism could resort to force as a means of consolidating such a system.

An hon. Member: To oppose the other one.

Mr. Matte: When we discuss the purpose, it becomes obvious that we are off the track. What could the minister answer to that?

Mr. Turner (Ottawa-Carleton): This is not provided for but the Criminal Code certainly has provisions with respect to the use of this type of violence.

Mr. Matte: Then why should we pass emergency legislation if everything is provided for in the Criminal Code?

[*English*]

The Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Hogarth) agreed to: Yeas, 95; nays, nil.

The Deputy Chairman: I declare the amendment carried. Shall clause 3 as amended carry?

Mr. Knowles (Winnipeg North Centre): On division.

Clause 3 as amended agreed to.

The Deputy Chairman: The Chair is wondering whether it should not come back to clause 4 and ask if it is the wish of the committee to put the consequential amendment that was proposed by the hon. member for New Westminster. Does the committee agree that the Chair should put the amendment to clause 4?

Some hon. Members: Agreed.

On clause 4—*Offence and Punishment.*

The Deputy Chairman: It is moved by the hon. member for New Westminster that clause 4 of Bill C-181 be amended as follows:

by striking out line 39 on page 3 and substituting the following: "Canada with respect to the province of Quebec or its relationship to Canada as that advocated by the unlaw—"

Shall the amendment carry?

Some hon. Members: Carried.

Amendment (Mr. Hogarth) agreed to.

Clause 4 as amended agreed to.

Clause 1 agreed to.

[Mr. Turner (Ottawa-Carleton).]

The Deputy Chairman: Shall the preamble carry?

On the preamble.

[*Translation*]

Mr. De Bané: Mr. Chairman, I would only like to suggest another wording without, however, bringing it in as an amendment. I would propose the following text:

ATTENDU que c'est la conviction indéfectible du Parlement du Canada que les hommes et les institutions demeurent libres seulement si la liberté a comme fondement le respect des valeurs morales et spirituelles et la suprématie du droit;

ET ATTENDU qu'un groupe de personnes ou une association qui s'appelle Front de Libération du Québec menace et compromet l'ordre public au Canada en préconisant de recourir à la force et au crime pour changer de régime politique du Québec et les rapports de cette province avec le reste du Canada, ou pour y contribuer, et qui, de fait, a eu recours aux meurtres, menaces de mort et enlèvements de même qu'à d'autres méthodes comme la contrainte, l'intimidation et la violence;

ET ATTENDU qu'à la suite de l'approbation par la Chambre des communes du Canada des mesures prises par Son Excellence le gouverneur général en conseil, en application de la Loi sur les mesures de guerre, pour mettre fin à la menace d'insurrection dans la province de Québec, étant bien entendu que l'autorité invoquée à cet égard ne devra être maintenue que provisoirement, le Parlement du Canada désire s'assurer que des mesures légales et efficaces soient prises et continuent de l'être contre ceux qui recherchent ainsi la destruction de notre régime démocratique, et convient en outre que toutes les mesures ci-après, jugées nécessaires en raison de l'état d'urgence actuelle, ne soient prises que sous l'autorité et en conformité d'une loi d'exception quant au fond et provisoire quant à son application.

Mr. Chairman, I did not want to suggest this version as an amendment, since after all one must profit from past experience. Also, having received a letter this morning from the chief translator of the legal division, I want to explain why I made certain remarks about the French wording of this bill.

I am very sorry I gave the impression by those remarks that I wanted to question the work or the competence of the legal translators.

I admit that the adamant and contemptuous attitude which my amendments met with made me lose my temper at times, and on some occasions my words went beyond my thoughts. This was an error on my part for which I beg the legal translators to forgive me, for they are often wrongly attacked and even imposed upon by people who are far from having their competence and who know nothing of their profession.

I admit that I have not sufficiently kept in mind, during my speeches, the conditions in which legislation is translated and the reasons why it is not possible, in some cases, to present a French version in which the translation is not felt.

Indeed, the federal legal system is strictly Anglo-Saxon, entirely based on common law, and this empiric and obscure labyrinth is so far from Cartesian thought and French clarity that the French have yet to find a translation for the words "common law".

Therefore, common law and the English legal language have absolutely nothing in common with French law or the French language and when translators are asked—as they are—to have the French version of a text of English

criminal law correspond exactly with the English version, they are required to do an impossible thing.

When moreover, they are requested to do so in record time because those who drafted the English text took up practically the full time allowed for preparation of a bill to lick their style contorsions into shape, then I do not have to wonder who is flouting whom when it is claimed that both languages have equal rights. It is not only the translators who are being flouted, but also Canada's French-speaking community as a whole.

I offer no solution to the problem. I am merely stating an undeniable fact, which I consider to be worthy of consideration.

In concluding, I will repeat my most sincere apologies to our legal translators. If I have spoken of them unfairly, I ask their forgiveness as I had not the slightest intention of causing them prejudice. They are, as I know perfectly well, more skilled, hardworking and competent than many other public servants, although they get less consideration and retribution.

Some hon. Members: Hear, hear!

• (9:00 p.m.)

[*English*]

Mr. Lewis: Mr. Chairman, I rise merely for two or three minutes to indicate that the preamble makes statements which some of us in this chamber do not accept as being facts of the situation in Canada, either now or on October 16 and the days that followed.

An hon. Member: They are Liberal facts.

Mr. Lewis: I rise merely to underline that the preamble states in the second paragraph:

AND WHEREAS the public order in Canada continues to be endangered—

Mr. Baldwin: That is not what Pierre says.

Mr. Lewis: Mr. Chairman, there has not been any evidence given by the Prime Minister or the Minister of Justice at any time during these discussions—

Mr. Gibson: Of course there has.

Mr. Lewis: —not the slightest evidence, to justify the statement that the public order in Canada continues to be endangered. There has been evidence that in the province of Quebec there has functioned, and probably still functions, a criminal conspiracy called le Front de Libération du Québec that has engaged in awful criminal acts which every Canadian and every member of this Parliament condemns. But, Mr. Chairman, there has been no evidence to support the kind of thing this preamble says.

All through the debate on this bill, both on second reading and at committee stage, I have been waiting to hear from the minister statements of fact justifying the reintroduction of the repressive legislation which we have now under the War Measures Act. This reintroduction in the form of a new law, even though it is limited in time, serves merely to reinforce the point we have made many times. I am certain that the Canadian people are beginning to realize now, and will increasingly realize, that they were got given the information to which they were entitled for the introduction of so reactionary and repressive a measure as the War Measures Act and so reactionary and repressive a measure as has been discussed in committee clause by clause.

The Minister of Justice has not given us anything to justify this measure at the present time. There is no evidence that the public order or Canada is being threatened at this time. There is evidence of the failure of the police to find kidnappers and murderers; there is ample evidence of that. There is evidence of the failure of the police authorities to find the members and supporters of the FLQ. But there is no evidence to support the statement in the second paragraph of this preamble.

An hon. Member: What does your mail say?

Mr. Lewis: There was no evidence, Mr. Chairman, at the time when the War Measures Act was introduced—

An hon. Member: That is enough.

Mr. Lewis: —nor was there evidence at the time when the War Measures Act was proclaimed, that there was a state of apprehended insurrection in the province of Quebec.

Time and time again we have asked the government to explain what it meant by the statement that there was confusion in Quebec; what it meant by the statement that there was an erosion of will in Quebec; what certain ministers of the government meant by stating that the CBC was controlled by the FLQ; what they meant by stating that every high place in Quebec was infiltrated by FLQ; what they meant by statements such as that made by the Minister of Justice, that, the people of Canada will never understand the reason for it unless they are given all the information. Since October 16 none of these statements have been explained and none of the information to which the people of Canada are entitled has been brought forward. There was no evidence of an apprehended insurrection on October 16, and there is no evidence that the public order of Canada is threatened today.

As far as I am concerned, and I am sure as far as my colleagues are concerned, the preamble makes statements that have not been proven to this Parliament or to the people of Canada. I could not let it pass without repeating my condemnation of the government for its failure to give the information and my apprehension about a government that reintroduces the evil, repressive measures of the War Measures Act in this bill without even finding it necessary to tell Parliament or the people of Canada exactly what makes this kind of repressive measure necessary at this time.

Some hon. Members: Hear, hear!

Some hon. Members: Question.

The Deputy Chairman: Shall the preamble carry?

Preamble agreed to.

The Deputy Chairman: Shall the title carry?

Title agreed to.

The Deputy Chairman: Shall I report the bill?

Bill reported.

Mr. Turner (Ottawa-Carleton) moved that the bill be read the third time and do pass.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I shall be voting for the third reading of this bill but I shall not be voting happily. I shall be voting for it because it is a temporary measure, because despite its weaknesses it is an improvement on the War Measures Act. Above all, I shall be voting for it because it gets rid of the War Measures Act, the invocation of which has not yet been justified by this government. Those are my reasons for voting for the bill on third reading. I want to make it perfectly clear to the government, to this house and to the people of Canada—

An hon. Member: You had better find a better one than that.

Mr. Stanfield: Did I hear somebody over there say, "You had better have a better one than that"?

Mr. Ricard: The member for St. Boniface (Mr. Guay).

Mr. Stanfield: Well, you had better have a better one than this. I want to make it perfectly clear that this is not a good law. It has serious faults, and in one way at least it is a very bad piece of legislation. It is very bad despite all the demands of the members of this House, despite the demands of many independently-minded citizens of this country and despite the demands even of a majority of delegates to last weekend's Liberal convention in Ottawa.

• (9:10 p.m.)

This government has stubbornly refused even to consider the establishment of an independent review commission to guard against abuses in the operation of this act. Today the Prime Minister (Mr. Trudeau) said that in some way this would involve, on our part, an act of mistrust toward the government of Quebec. It is this Parliament and not the National Assembly of Quebec which has this legislation before it, legislation which we all recognize abridges on a temporary basis the civil rights of Canadians. This Parliament is responsible for taking this action. I submit that it is not too much for members of this Parliament to demand, as we have demanded, that there be guarantees against abuse.

An hon. Member: But you will vote for the bill.

Mr. Stanfield: It is suggested that somehow this would involve a lack of respect on our part for the government of the province of Quebec. Mr. Speaker, I want to make it clear that I suffer from a very grave lack of respect for any government which will not provide for a reasonable review in connection with the abrogation of civil rights, as provided in this bill.

Some hon. Members: Hear, hear!

Mr. Stanfield: It follows from this that I lack respect for the government of Canada, for the government of Quebec and for my hon. friends opposite. The government of Quebec and perhaps the governments of other provinces will be using the special powers passed by this Parliament. I do not see how it can be said that it would somehow be derogatory to the province of Quebec if we were to insist upon an independent board of review. I have not heard any member opposite seriously try to justify the absence of an adequate review provision. Not one member has risen in his place, sir, and really attempted to justify the absence of a board of review, although I notice that quite a number of them tried to hide behind the Constitution and constitutional provisions that just do not exist.

Mr. McCleave: That is right.

Mr. Stanfield: There is no question at all that jurisdiction over criminal procedure lies with this Parliament. If for any reason it seems to the government to be more politic to have such a board of review established by the government of the province of Quebec rather than by this Parliament, then let it obtain that assurance from that province. The government's attitude and the Prime Minister's attitude today was that a committee of civil libertarians should be allowed to visit the jails. The suggestion that this constitutes an adequate arrangement for review is nothing short of fraudulent.

Some hon. Members: Hear, hear!

Mr. Stanfield: I say, Mr. Speaker, that anybody who pretends that a committee of civil libertarians constitutes an adequate board of review deserves nothing but the contempt of this House. I say that the government's attitude toward this proposal has been at least consistent with its attitude toward all the other proposals put forward by parties in the opposition. Obviously, the word went out that there should be no changes whatsoever in the bill except in so far as they might be put forward by the government itself. Why is that, Mr. Speaker?

An hon. Member: Vote against the bill, then.

Mr. Ricard: Hon. members over there are to dumb to understand anything.

Mr. Stanfield: Mr. Speaker, the opposition have shown their good faith in voting for the principle of the bill on second reading. Why is there all this stubbornness?

Some hon. Members: Oh, oh!

Mr. Stanfield: I might say that all the static from the rabble opposite is a pretty good indication of their present attitude.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Gibson: What about the thousands of letters sent to us?

Mr. Stanfield: Why is there this stubbornness? Is it an indication of some god-like complex on the part of the government, or is it simply the result of the cocksureness of a government that believes it is not capable of error? Others may be subject to human error, but not this government!

Mr. Woolliams: They think they have the divine right to rule.

Mr. Stanfield: Part of the reason, I suggest, is that the government has become blindly arrogant in this matter. I say again that I have no choice but to vote for the measure if I want to get rid of the War Measures Act and the regulations under that act. I certainly want to do that. But I warn the government that we in the opposition will not forget the contempt that it has shown for Parliament, the contempt it has shown for the rights of individuals in this country and the contempt it has shown for the right of the public to be involved in this whole affair.

We shall be demanding an accounting from this government on behalf of all the people of Canada. The government has refused to establish an independent board of review, and no doubt it will also refuse our demands for an independent commission of inquiry to look into this whole sorry mess. If it were less arrogant it would not dare refuse that request. The arrogance of this government and its supporters passes all understanding, and therefore it is hard to say with any assurance what it may or may not dare to do.

An hon. Member: Why vote for the bill, then?

Mr. Stanfield: So, Mr. Speaker, it is with regret that I have to vote for this measure.

Some hon. Members: Oh, oh!

An hon. Member: Shame!

Mr. Stanfield: I shall vote for this measure in order to get rid of the War Measures Act. But I want to make it clear, most emphatically, that I am not doing so out of any sense of confidence in this government, because I have no confidence in it whatsoever.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the third reading of the temporary emergency powers bill constitutes the final chapter in the legislative program which began with the kidnapping of James Cross and the kidnapping and murder of Pierre Laporte. Nevertheless, this is not the final chapter in so far as the consequences which will flow from the action which the government has taken are concerned. I submit that for years to come the results will be seen in the province of Quebec, where extraordinary powers have been abused and used for political intimidation and harassment.

In years to come historians will scan the record to see what evidence the government had of an apprehended insurrection. I suggest, sir, that they will scan the record in vain. They may find the apprehended insurrection as groundless as the imaginary military coup which the late Right Hon. Mackenzie King dreamed up in order to frighten some of his ministers into supporting him on the conscription issue.

• (9:20 p.m.)

I want to point out that throughout this entire discussion, beginning with October 16, the position taken by the New Democratic Party has been consistent and clear-cut. On October 16 we made it clear that we had two objections to the resolution which was introduced by the Prime Minister (Mr. Trudeau) on that day. The first was that we had received no evidence whatsoever that there was a state of apprehended insurrection in Canada. We still have no such evidence.

I think it is rather significant that when the Right Hon. Lester B. Pearson was asked on television to endorse the government's action in invoking the War Measures Act, he refused to do so on the ground that he did not have sufficient information. The former Prime Minister is in exactly the same position as the rest of us. We did not have information on October 16, and we still do not have any information that would justify curtailing the liberties of 21 million Canadians because of a state of apprehended insurrection which has neither been proven nor outlined.

Our second objection to invoking the War Measures Act was that we claimed that the regulations passed under the War Measures Act constituted an unnecessary abridgment of civil liberties in this country. The best proof of that is the bill which is now before us. The government has introduced legislation which is less repressive and less arbitrary than the regulations under the War Measures Act. The provisions in the regulations under the War Measures Act which were most heinous have been somewhat softened in the legislation now before us.

In the debate on the War Measures Act, members of this party maintained that the government could have acted under the provisions of the Criminal Code. There are adequate provisions there dealing with treason, seditious intention, seditious conspiracy, possession of offensive weapons and so on, which adequately provide the government with the necessary powers to deal with a terrorist conspiracy in the province of Quebec. As an alternative, we suggested that if the government wanted additional powers they should have asked Parliament for additional police powers. There were two powers which we indicated might be necessary: first, on a temporary basis to extend the length of time of detention and, second, to permit without warrant the search of private dwellings for explosives and other offensive weapons.

The Prime Minister wrote the party leaders asking for suggestions with respect to either temporary or permanent legislation to deal with emergencies. In a letter to the Prime Minister dated October 23, I set forth on behalf of the members of this party the additional

powers we were prepared to grant on a temporary basis along with the safeguards which we insisted should accompany any additional powers granted to the police authorities.

When the government introduced Bill C-181 which is now before us, we voted for second reading of that bill because we had committed ourselves to considering the request of the government for additional powers if the government could justify the need for more powers. I quote what I said in the House of Commons on November 4, as recorded at page 893 of *Hansard*:

> I think we have to question whether such restrictive legislation is required in a situation which the government itself contends no longer constitutes an insurrection. I think Parliament should grant the police the powers necessary to apprehend terrorists and kidnappers, but I do not think the government has shown us that it needs powers as wide and as repressive as those which are contained in this legislation.

At that time the members of my party said that we had serious misgivings about this legislation. We thought it was too arbitrary and too repressive. In our opinion, up to that time the government had not given any justification for declaring that public order in this country was in danger. Since we said we were prepared to consider the request of the government for additional powers which they felt were not contained in the Criminal Code, we allowed that legislation to come before the Committee of the Whole in order that in Committee we might get two things from the government—some justification for the declaration that public order was endangered and the more repressive and heinous sections of this bill removed or at least modified.

Every member of this House knows the result of the debate which took place in Committee of the Whole. The minister was completely adamant and inflexible. He refused to accept a single amendment presented by the opposition parties. The most reasonable requests were rejected out of hand. The government used its huge majority to smother every attempt to make this legislation less repressive and less objectionable. The result is that on third reading we have before us a measure which in the opinion of this party is completely unacceptable.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): It is unacceptable because the legislation goes far beyond the additional temporary powers to detain and search without warrant which we talked about at the time the War Measures Act was invoked. This legislation still retains the power to hold a person who has been arrested for 90 days before a date for trial is set. A person can not only be held for 90 days without bail, but if the trial is set some time in advance, bail can still be denied. An accused person could be detained for months before being given the opportunity to have his day in court and have the properly constituted authorities decide whether he is innocent or guilty.

• (9:30 p.m.)

The second feature of this bill to which we take strong exception is that it takes from the judiciary the right to grant bail and vests that power in the Attorneys General of the provinces. When an accused person asks for bail, the agent of the Attorney General is the prosecutor; he can give the court the reasons why in his opinion no bail should be granted. What the minister has done under this legislation is to make the Attorney General and his agent not only the prosecutor but also the judge and the jury; they have not only the right to argue against bail being granted but the right to deny bail no matter what the court might think.

In defending this indefensible piece of legislation the minister has trotted out a new doctrine of justice, that of political accountability. I say that this is the most dangerous and the most sinister doctrine I have ever heard outlined in this Chamber. The minister says the Attorney General, to whom this legislation gives the right to deny bail, is accountable. To whom? He is accountable to the legislature in which his colleagues have a majority. Mr. Speaker, that is not a great measure of accountability.

Second, the minister says the members of the legislature are accountable to the electorate. But what if the majority of the electors do not agree with the ideas of the accused? Is the fate of accused persons to be determined by a show of hands? Are we to have people's courts in this country as they have in mainland China? Are we going back to the days of the Roman mob when a man's fate depended on whether the crowd held their thumbs up or turned them down?

We in Canada have been proud that under our system of justice any individual, though the majority of the community might disagree with him, has the right to be tried before a competent court of jurisdiction, by due process of law. The minister now tells us that accused persons will be judged by a count of heads, a show of hands. If the minister's theory of political accountability is put into effect, what will happen to minorities? The measure of a country's system of justice does not depend on the rights granted to majorities. The measure of a nation's sensitivity to justice depends on the rights it grants to minorities—even to a minority of one.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): If we come to a point where the treatment of an accused person is determined by a political officer and is dependent on political accountability to elected members and the electorate, we have moved from the idea of the rights of a minority to a position in which we allow the majority to determine what happens to an accused. I say that the government, by this legislation, is substituting political justice administered by elected officers for judicial justice administered by persons who are free from political pressure and political influence.

Our third objection to this legislation relates to the retroactive feature in clause 8 which we say is abhorrent to all who believe in basic civil liberties. This clause states that mere presence at FLQ meetings some time in the past warrants a presumption of guilt and constitutes proof that an accused person is a member of the FLQ

unless he can prove otherwise. If he cannot prove otherwise, he is liable to five years' imprisonment.

How does one prove that one is not a member of an organization, Mr. Speaker? How does one prove a negative? This is the one clause in the bill on which I thought the minister would relent, because it is the one part of this legislation with regard to which there has been almost unanimous condemnation. I notice that the Attorney General of Ontario, Mr. Wishart, speaking in the legislature said he hoped Parliament would amend the retroactive feature of the new bill which requires a person who had attended meetings of the FLQ to prove he is not a member of that organization. I notice that the former Premier of Quebec, Mr. Bertrand, said he objected to the retroactive clause because, and I quote:

> It places the onus of guilt on persons who "used to be members of the FLQ one or two years ago" before the movement was declared outlawed.

He added:

> There is a danger here to human liberties—liberties which have taken men ages to acquire.

Almost every reputable newspaper and most of the outstanding editors of this country have condemned the retroactive features which are to be found in this legislation.

I believe the bill before us is even more dangerous because it represents a delegation of powers to persons who are not accountable to this parliament.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): During the time this legislation was going through committee of the whole, the minister gave us bland assurances on almost every clause that our fears in this respect were not well founded. The fact is, of course, that the administration of this bill will not be in his hands; it will be in the hands of the Attorneys General of the province, in particular, of the Attorney General of the province of Quebec.

I recall that on November 4 when I was speaking on second reading of this bill, the minister interrupted me to contend that the Bill of Rights was still in effect in spite of the fact that the War Measures Act had been invoked. If this is true, the Attorney General of the province of Quebec has been breaking the law for weeks on end, and I ask the Minister of Justice (Mr. Turner) what he has done about it. Has he raised his voice? Has he done anything? Day after day when we asked the minister about the fact that persons detained in Quebec have been held incommunicado—and the Attorney General of that province has publicly so admitted—he said he would convey our concern to the Attorney General of Quebec.

• (9:40 p.m.)

The Prime Minister talked today about the review committee which had been set up in the province of Quebec. That committee has made some reports on its activities. Mr. Jacques Hébert, president of the Civil Liberties Union, stated publicly that, contrary to what they had been told by the Attorney General of Quebec, they found that very few of the prisoners' families had been apprised of the situation or advised that they had the right to visit. Mr. Hébert said that the committee had been told by several prisoners that they had been victims of psychological and sometimes physical methods that are absolutely unacceptable.

When I raised the matter in the House, the Minister of Justice said, "Well, that is the responsibility of the Attorney General of Quebec". When I asked the minister whether he would investigate the statement made by Mr. Jacques Hébert and his committee and report back to the House, the minister said that he would consider it. He has never replied in the House nor told us what was the result of his investigations into the treatment of the persons who were detained. The fact is that the powers granted under the War Measures Act have been abused, and abused abominably. The author of those regulations, the Minister of Justice, has merely stood in this House ringing his hands like an outraged virgin.

This is what has happened since October 16. Ninety per cent of those arrested and detained have been released, presumably because they were innocent. Many of them have lost their jobs, their reputations, and I am afraid in some cases have lost their faith in the system of justice in this country. The powers that were granted under the War Measures Act have been used to settle old political scores and to harass political opponents. It is not without significance that many of the people who were picked up were members of the FRAP organization, a municipal political organization that was endeavouring to get some seats on the municipal council in opposition to the overwhelming majority of Mayor Drapeau.

It is also not without significance that a large number of those picked up belonged to the Parti Quebecois. I disagree heartily with the separatists of Quebec or of any other province. I think that anyone who wants to take Quebec or any other province out of confederation is stupid. But as long as those who advocate such policies propose to do so by constitutional and democratic means, they have as much right to express their views as any member in this House. If they can be abused, harassed and detained, then it is only a matter of time till other groups get exactly the same treatment. Individuals have been kept in prison anywhere from three to 21 days, then interrogated for a few minutes and dismissed. But dismissed embittered, and having lost faith in the judicial process in this country.

The Attorney General of the province of Quebec is already showing an appetite for more arbitrary powers; he is now asking for emergency powers for the provinces which they can invoke on their own without having to refer to the federal government or the federal Parliament. He is asking for censorship of the press, for exceptional powers of arrest and for identification cards which will require every citizen to be photographed and fingerprinted. He is now talking of taking action against teachers who are accused of political indoctrination in the classroom. Who is to decide what is political indoctrination? What started out as a measure to stop terrorist activity is now moving into repression against ideas.

When you start to suppress ideas, to decide what teachers will teach and what students will study, then you have started down the road toward a police state.

The Attorney General of Quebec says that the powers for which he asks "are not to remove civil liberties but to give us an efficient police force". The police force does not need more power; it needs more competence. We all remember the persons who were arrested on the basis of mistaken identity, and the police who raided the house of the Secretary of State (Mr. Pelletier) at four o'clock in the morning. It may be that to the police in Quebec the Secretary of State is a suspicious looking character, and it may be that Westmount is a questionable area. But surely the police in Quebec ought to know who is the Secretary of State for Canada and where he lives. If he can be treated in that way, then can you imagine what would happen to an humble citizen living in St. Jacques or St. Henri.

Let me speak bluntly. The antics of the police in Quebec during the last few weeks have made the Keystone cops look like James Bond. These are the law enforcement bodies to whom the Minister of Justice is now handing powers that could result in unjust imprisonment, arbitrary arrest and conviction on the basis of past association. This is why we have been pressing the government, as have members throughout the opposition, to set up an independent commission, board of review or tribunal to ensure that the powers granted by this Parliament will not be abused.

I am going to move the following amendment, and then if I have time left I will take a few moments to say something about it. I move, seconded by the hon. member for Comox-Alberni (Mr. Barnett):

That Bill C-181 be not now read a third time, but that it be referred back to the Committee of the Whole House for the purpose of reconsidering clause 12 with a view to the inclusion therein of a provision for the establishment of an independent body to review the administration under the said bill.

• (9:50 p.m.)

The Prime Minister said yesterday in the House, and last night on television, that the setting up of an independent body to ensure that the powers under this legislation were not abused would constitute a lack of confidence in the government of Quebec and, particularly, a lack of confidence in the Attorney General of Quebec. That is a specious argument. Let us look at the logic of the situation. The province of Quebec asked the government of Canada for extraordinary powers. It was given those powers under the War Measures Act. The government of Canada is now asking Parliament to give to the province of Quebec extraordinary powers. I submit that before this Parliament is asked to give such arbitrary and extraordinary powers to any provincial government we have the right to insist that extraordinary safeguards shall be written into that legislation.

Some hon. Members: Hear, hear!

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

Mr. Douglas (Nanaimo-Cowichan-The Islands): It is not a matter of whether we trust the Attorney General of Quebec or of any other province. I would not be prepared to give these wide, sweeping powers to any Attorney General whether he be in the province of Quebec, Manitoba or any other province of Canada, because the Attorney General of a province is accountable only to his own legislature. We are being asked to pass this legislation. Surely there ought to be a body accountable to us which will supervise the exercise of these powers and see they are used with proper discretion so as to safeguard the civil liberties of the citizens of Canada.

When the Prime Minister says, as he did this afternoon during the question period, that the opposition parties in asking for such a review board are indicating a lack of confidence in Quebec, or we are trying to make Quebec a colonial state, I ask the government whether the delegates attending the Liberal policy conference this weekend tried to insult the province of Quebec and make it a colonial state. Were they as ignorant of the Constitution as we are on this side? Did the delegates attending that conference not understand the implications of this situation?

Surely the hon. members opposite tried to persuade the delegates to accept the government's rejection of this proposal, but could not do it because even their own members attending the conference know perfectly well that it runs contrary to all the sense of decency which Canadian people have that such powers should be given to any man or any government without some safeguards to protect the innocent.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): To tell us that a committee of volunteers through the John Howard Society or the Civil Liberties Association will do this without any power and without any authority, who can be kicked out of office and be treated as Mr. Jacques Hébert of the Civil Liberties Association has been treated in Quebec, is not good enough. They could not even get the facts or the truth, and I could not even get a report from the Minister of Justice. Is this the travesty we are to have in respect of a review of these powers?

I say in conclusion, Mr. Speaker, that we have had some black pages in Canadian history in respect of violations of basic human rights. In 1919, at the time of the Winnipeg general strike, we had the deportation orders. In the 1930s we had prosecutions under section 98 which outlawed the Communist Party, drove it underground and put men in jail. During the war we had regulations under the War Measures Act which allowed the picking up of Canadian Japanese, interning them and confiscating their property, although at the end of the war the Prime Minister of Canada at that time had to stand up and say there was not one proven case of sabotage by any Canadian Japanese. These are not things we like to look back on.

An hon. Member: Why do you bring them up, then?

Mr. Douglas (Nanaimo-Cowichan-The Islands): I will tell the hon. member why we bring them up. Then we had the padlock law, a vicious restraint of our civil rights. Now the Minister of Justice is to add his name to this catalogue of wrongs and injustices. I say to the minister he will be remembered in Canadian history as the man who in this critical hour did more to destroy the civil liberties of the people of this country than has ever been done before in peacetime. It is not enough in normal times for the minister to go to seminars and teach-ins.

Some hon. Members: Ten o'clock.

Mr. Speaker: Order, please. I have to interrupt the hon. member although his time has not quite expired. Some hon. members have brought to the attention of the Chair that it is ten o'clock. I will not put the motion now because I have a slight reservation about it. It may not be too important, but it seems to me that the hon. member has proposed an amendment which may be doubtful in that it refers to clause 12. It may be clause 14 the hon. member should attempt to amend. Perhaps it is the Bill of Rights that the hon. member is attempting to amend. The hon. member for York South (Mr. Lewis) seems to agree with my suspicion. If it is the Bill of Rights the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) wishes to amend, he cannot do it by an amendment to clause 12 of the bill.

In any event, it is such an important matter that I would want to consider it, and I will not declare the amendment out of order without hearing argument. The hon. member might consider in the meantime whether it would not be easier to move an amendment to the effect that Bill C-181 be sent back to Committee of the Whole for the purpose of reconsidering clause 14, rather than clause 12.

In any event, it being ten o'clock, a motion to adjourn the House is now deemed to have been made.

PROCEEDINGS ON ADJOURNMENT MOTION

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

CANADIAN NATIONAL RAILWAYS—NON-PAYMENT OF MINIMUM WAGE—RETIRED EMPLOYEES' PENSIONS—GOVERNMENT ACTION

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, on November 4 I asked the Minister of Labour (Mr. Mackasey) a question regarding the payment of less than the minimum federal wage to employees of the Chateau Laurier Hotel in Ottawa. The minister replied:

I expressed this opinion two weeks ago and gave my department the authority to proceed in the matter in the usual manner. I refer to the application of the rules and regulations under which the Department of Labour normally proceeds in

such cases. I presume that advice is now being sought from the appropriate department in regard to proceeding further.

• (10:00 p.m.)

Mr. Speaker, a supplementary question dealt with the Canadian National pension plan. But speaking first to the original question put to the Minister of Labour, it appears at this time, which is more than two weeks after November 4, that the situation at the Chateau Laurier Hotel has not been clarified. It is my information that there is hesitation on the part of some departments of government to take any action to find out whether the Chateau Laurier Hotel falls within federal or provincial jurisdiction. It is very ironic, to say the least, that at one time the CNR Chateau Laurier Hotel was quite prepared to be within federal jurisdiction so far as the payment of wages and other conditions were concerned, but now that the federal minimum wage is more than the provincial minimum wage they have the audacity to suggest that they are under provincial jurisdiction.

Even though there may be a case in Canada—I understand there is one in Alberta in respect of Jasper Lodge—regarding whether or not a certificate of collective bargaining can be granted under provincial or federal legislation, I cannot understand why the appropriate department of government will not move in respect of the Chateau Laurier Hotel and decide that it should be governed by federal legislation.

A supplementary question was asked of the minister in respect of the CNR pension plan. In view of the CNR labour-management question which is before the country, and the fact that labour is asking that pensions be put on the bargaining table, I think it is only right that we be assured that the CNR will consider putting its pension plan on the bargaining table.

We are aware that the unanimous report of the Standing Committee on Transport and Communications, which in effect took no position concerning collective bargaining, suggested that persons already on pension should be given the same consideration that pensioners received some time ago. At the same time it was suggested that there should be an escalator clause. This suggestion received the unanimous agreement of the House of Commons. It would seem appropriate therefore, that a minister should answer to the House in respect of whether Canadian National plans to do something similar about its pension plan. I am given to understand that Canadian National has communicated with the Minister of Transport (Mr. Jamieson), but neither the Minister of Labour nor the Parliamentary Secretary would be in a position to answer for the Minister of Transport so I shall defer that question until another time. The most important questions at this time are why the Chateau Laurier is not paying the federal minimum wage, and why no action is being taken on the part of the Canadian National management to act at least in part on the recommendations of the committee which were adopted unanimously so far as pension plan is concerned.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): Mr. Speaker, within its jurisdiction, this

government is determined to provide decent wage standards for the working people of Canada. While 30 per cent of Canadian workers are organized, the percentage stands at 50 per cent in those industries within federal jurisdiction. Many workers, particularly in the unorganized sector, are in low-paying jobs. Some time ago the federal government established minimum wage legislation. Periodically, this federal minimum wage has been increased. Today it stands at $1.65 an hour, the highest in Canada.

The Minister of Labour (Mr. Mackasey) believes it is a major responsibility of the government to continue to assure, by law, an adequate minimum wage and to secure compliance with the rules and regulations which form the Canada Labour (Standards) Code. The Department of Labour and the minister support the view that Crown corporations like the CNR are bound to comply with the federal minimum wage legislation, as are all other industries coming within federal jurisdiction.

A short while ago the minister instructed his officials to proceed with action designed to establish beyond all doubt the obligation of the CNR to pay at least the federal minimum wage. It is not the minister's prerogative to determine in law whether federal minimum wage statutes apply to all phases of Canadian National operations. Without any doubt, however, if legal ambiguities are resolved in favour of federal jurisdiction, the Minister of Labour will continue to enforce vigorously federal minimum wage provisions on behalf of all Canadian National employees.

With respect to the hon. member's other observations, the Department of Labour shares with him a hope that the outstanding differences between the CNR and its employees will be resolved satisfactorily. The minister has stated in this House that the report of the Standing Committee on Transport and Communications should be required reading, not only by the CNR but also by the unions in view of the report's wide-ranging recommendations for both management and labour.

One current dispute between the CNR and the Brotherhood of Locomotive Engineers is at the conciliation stage, as is a dispute between the CPR and the same union. Other disputes between the CNR and the unions representing most other categories of railway employees are at the direct negotiation stage, that is, no conciliation officer or board has been appointed. The specific question of pensions is dealt with in the demands presented by most unions involved in the current negotiations. The Department of Labour's industry specialist, Mr. Arthur Gibbons, is keeping in very close touch with the parties and the proceedings. The government is sure that both parties realize the importance of the negotiations. I thank the hon. member for directing these important inquiries to the Department of Labour.

[*Translation*]

INQUIRY OF THE MINISTRY—GENERAL DE GAULLE'S FUNERAL

Mr. René Matte (Champlain): Mr. Speaker, the question I asked last week was rather important although it was received with indifference by the Right Hon. Prime Minister (Mr. Trudeau). Since 1968 we have been getting used to that eloquent silence which is a manifestation of the childish and offhand streak in his personality. The carnations (*oeillets*) that he often wears in his buttonhole do not make us forget the blinkers (*oeillères*) on both sides of his head. He refuses to see anything but his own opinions.

Mr. Speaker: Order, please. I would call on the hon. member to speak on the question to be discussed at the present time. The hon. member must be relevant, that is, deal with the question which he had asked in the House earlier. As he has not received the reply which he expected, he is entitled under Standing Orders to discuss the matter later, but he must only deal with the subject of the question.

• (10:10 p.m.)

Mr. Matte: Why, Mr. Speaker, does the Prime Minister keep silent instead of answering the questions that are put to him? It is a rather simple question. Had he any reasons for refusing to attend General de Gaulle's official funeral? Is it because all the eminent chiefs of State went to Paris on that occasion that the Canadian Prime Minister has not deigned to do so? Does he have any complexes in front of Nixon, Heath, Kosygin, Saragat and the pleiad of other chiefs of State? Does he question the value of the greatest man of contemporary history? Why turn up his nose at the remains of the one who had the last word with such famous men as Churchill, Roosevelt and Stalin? Why does he not recognize France's great saviour?

Some concepts of the General undoubtedly gave rise to discussions, if not dissensions, but are those sufficient reasons to show the whole world such pettiness? The President of the United States has not always been in agreement with the General, nor has the British Prime Minister. Yet, they were there. So was the head of the U.S.S.R. Such occasions are surely not the right time for a show of petty spite.

It took a prime minister like ours to dare bring shame to our country. God knows that the prime minister is fond of travelling. He goes here and there, skiing, scuba-diving, cruising, etc. He keeps saying that he wants his privacy to be respected. We know how he has run down newspapermen—

Mr. Speaker: Order. I must interrupt the hon. member. I have recognized him for a question and not a speech on the subject of the Prime Minister. The matter before us now is General de Gaulle's funeral and not whether the Prime Minister has answered the question or not.

The hon. member might perhaps on another occasion ask the Prime Minister why he did not answer his question. If there is no answer he will be able to give notice to the Chair and discuss the matter later. At present the matter under consideration is the funeral of General de Gaulle and this has nothing to do with the silence of the Prime Minister.

Mr. Matte: Mr. Speaker, I just wanted to justify the question.

Does the immobility of the Prime Minister on that occasion become as sensational as his social activities and his trips? Never has a country been represented in such a strange way. Therefore it is important that we should be told the true reasons of his refusal to attend the funeral of General de Gaulle. France and Canada have many reasons to maintain frank and sincere ties of friendship. Pettiness, spite, differences of opinion must not alter these ties. It can be said that this is a tempest in a teapot; I will answer that very often such tempests mark the beginning of useless hostilities.

Mr. Speaker, the Prime Minister should speak frankly. He does not have any valid reasons to offer—as his silence implies—he should say so frankly. In the meantime, he can always draw inspiration by reading General de Gaulle's memoirs.

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, in the absence of the Prime Minister and of his Parliamentary Secretary the hon. member for York North (Mr. Danson), who are both presently attending a meeting here in Ottawa with representatives of the American government, I wanted to answer the hon. member for Champlain, but, after the Chair's two appropriate reminders, I think I have nothing to add.

I would have gladly brought to the attention of the Prime Minister or of his Parliamentary Secretary the remarks of the hon. member for Champlain, but really there is nothing to draw anyone's attention to. I only have to say that the Canadian government was very honourably represented at the funeral of General de Gaulle by the Secretary of State for External Affairs (Mr. Sharp).

[*English*]

CANADIAN BROADCASTING CORPORATION—PERFORMANCE OF ILLEGAL ABORTION ON PROGRAM "WEEKEND"

Mr. Jean-R. Roy (Timmins): Mr. Speaker, this afternoon I asked the Secretary of State (Mr. Pelletier) a three-part question regarding last evening's CBC "Weekend" program. For reasons known only to himself, the minister decided to ignore the question and not answer, but I hope an answer will be given this evening for I am sure that if the minister had seen this program he would have felt the same concern and disgust as I did. It is of little use to express this concern to the CBC's officials, Mr. Speaker, for these officials have even more disregard for the representations of citizens and MPs than the minister.

Part of the program in question to which I am objecting was the presentation of an abortion, beginning with a call from a girl in Vancouver to a Los Angeles abortion clinic, continuing with the surgical intervention, the vacuum suction procedure of the abortion, and ending with the post-surgical care to the patient. My first question, Mr. Speaker, is whether the performers in this presentation were paid directly or indirectly for their performance in a criminal, illegal abortion, but many more questions come to mind. Was the patient an ordinary individual really going through an abortion, or was she an actress? Were her abortion fees, air fare and other expenses paid with taxpayers' money? How was this young lady found, and how did the CBC stage the event? Did the doctors or the clinic receive any direct or indirect remuneration from the CBC? Was the program seen and/or approved by top CBC management?

At the end of the program the CBC announced a proposed opinion poll, the results to be shown next week. Mr. Speaker, I am curious to know if this poll will be taken to influence public opinion rather than report on it. Is the patient, coming from Vancouver, part of the diabolical plot involving that group of ignorant young ladies who gave Your Honour such a trying time and showed such disrespect for this House and the democratic process earlier this year?

Is this program part of such a plot to influence public opinion, or is it the reflection of sympathy by the producer and some CBC officials for the cause of free abortion? Their stupidity in contravening the proposed House of Commons debate by showing a program in such bad taste is morally offensive to very many Canadians. Mr. Speaker, the minister, I submit will be party to the connivance if he allows this report to be shown, probably after much editing, many staged interviews and the usual rating-affecting, distorted impact scenes have been taken. If the top CBC officials have any such control, then surely they are prostituting their mandate by agreeing to such programs.

The final part of my question, Mr. Speaker, asked the purpose for which this program was produced. Is the reason justifiable, or is this just another attempt by the CBC to influence program ratings by showing another program offensive to the morals of many Canadian viewers who pay for this nonsense? With each new, additional and questionable program of this type, Mr. Speaker, the goals, objectives and purposes of our national networks become more and more suspect. One network, the CBC, seems intent on the destruction of the moral values and fibre of our society. The other branch of the corporation, Radio Canada, seems intent on the destruction of our elected governmental bodies and our democratic system.

It is true that Parliament has given the top CBC management an autonomy which practically places this organization out of reach of all authority. Unless those responsible can stop delegating their authority to all sorts of irresponsible people down the line, and unless they have the courage and judgment to accept their responsibility and make the decisions necessary to stop this gross abuse of our national television system, they should resign. No program which offends the morals of people is justifiable, and this latest example goes much beyond the bounds of decency and objective programming.

I hope that the minister will insist on full answers and explanations with regard to these questions and will accept the duty inherent in his position of giving explanations to the House. I am supported, Mr. Speaker, in this submission by the hon. member for Hamilton Mountain (Mr. Sullivan) and many other hon. members.

Proceedings on Adjournment Motion

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): Mr. Speaker, the reply from the corporation is as follows: The question of legal abortion has been a matter of public interest for some time now. It was one of the questions discussed very recently at the Liberal party convention, and the CBC considers that the "Weekend" item was entirely justified. No performers were used in the item, nor were fees paid by the corporation to any of the participants. The CBC, however, did pay the American producers of the item in Los Angeles. The opinion poll commissioned by 'Weekend" will be carefully taken over a number of weeks, not just next week, to discover what public opinion is with regard to the question of abortion legislation.

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

APPENDIX

SHARED COST PROGRAMMES WITH ATLANTIC PROVINCES
EXPENDITURES 1962-63 TO 1970-71 INCLUSIVE

Province	1962–63	1963–64	1964–65	1965–66	1966–67	1967–68	1968–69	1969–70	Estimated 1970–71	Aggregate 9 years
	$	$	$	$	$	$	$	$	$	$
Nova Scotia.....	16,329	12,839	42,944	209,206	70,386	237,414	231,750	259,750	277,250	1,357,878
Newfoundland.....	63,801	34,979	29,113	164,645	279,171	454,393	525,972	608,622	597,500	2,758,196
New Brunswick.....	15,948	13,350	72,501	96,814	168,288	158,639	171,623	167,661	181,000	1,045,824
Prince Edward Island.....	5,989	950	5,000	4,823	27,086	45,605	23,417	48,672	62,000	223,542
Quebec.....	—	—	19,981	78,418	81,926	116,695	154,280	58,852	140,000	650,152
Total.....	102,067	62,128	169,539	553,906	626,857	1,012,746	1,107,042	1,143,557	1,257,750	6,035,592

HOUSE OF COMMONS

Tuesday, November 24, 1970

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

POST OFFICE

REPORT ON ESTABLISHMENT OF HOME DELIVERY SERVICE

Hon. Jean-Pierre Côté (Minister without Portfolio): Mr. Speaker, I would like to table, in both official languages, copies of a report on the establishment of mail delivery services to private homes in some localities.

[*English*]

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

EARLY BUDGET WITH MEASURES TO FIGHT UNEMPLOYMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, has the Minister of Finance yet made any decision on whether he will produce an early budget with a view to indicating the measures that the government proposes to take to fight unemployment and get the economy moving forward?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, no such decision has been made at this time.

Mr. Stanfield: May I ask the Minister of Finance whether he proposes to make an early decision and bring some plans forward shortly, or are we to go through the winter unemployment first before he decides to move?

Mr. Benson: Mr. Speaker, as usual—

Mr. Speaker: Order, please.

Mr. Benson: As usual—

Mr. Speaker: Order, please.

Mr. G. W. Baldwin (Peace River): Apart from deciding whether to bring in a budget, has the government decided to decide on whether to get the economy moving?

INVESTIGATION OF STEEL PRICE INCREASES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, last week when the Steel Company of Canada announced price increases ranging up to 5.3 per cent I asked the Prime Minister whether he would consider asking the steel companies to withhold any increases until an investigation had been made in order to decide whether these increases were justified. The Prime Minister said he would consider the proposal. Has he given consideration to that suggestion, and what decision has been reached?

Right Hon. P. E. Trudeau (Prime Minister): I am afraid not, Mr. Speaker. I asked that the question be followed up, but I have not given consideration to any suggestion which might have come my way. I have not seen any yet.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Since Algoma Steel has announced that it is raising its prices and other steel companies have indicated that they will follow suit, and in view of the announcement yesterday indicating that the profits of the four leading steel companies have increased by 27.8 per cent in the first nine months of this year, will the Prime Minister undertake to have this profit position investigated to see whether or not any price increase at all was required by the steel industry of Canada?

Mr. Trudeau: It was my understanding, subject to correction, that the Prices and Incomes Commission said it would investigate these rises in prices.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Will the Prime Minister urge the steel companies to withhold these price increases until the Prices and Incomes Commission has completed its report, and will that report be made public?

Mr. Trudeau: Mr. Speaker, as I answered in the first part of my reply, it depends on what consideration has been given. The element which I think would need to be elucidated is whether or not these prices increases are compatible with the principles accepted earlier this year by all that sector of the economy, to wit, whether they would increase the margin between their price increases and the cost increases. I do not as yet have that information. I know that their costs rose considerably because of the labour factor, but I am not aware of the increase or otherwise of the discrepancy.

* * *

[*Translation*]

NATIONAL SECURITY

USE OF U THANT AS MEDIATOR TO SECURE RELEASE OF JAMES CROSS

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the Prime Minister.

Does the Canadian government intend to ask U Thant, Secretary-General of the United Nations, to act as media-

tor in order to obtain an agreement providing for the release of James Cross in exchange for that of the so-called political prisoners, as required by the FLQ?

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I do not think that the question raised by the hon. member for Shefford is of direct concern to the Secretary-General of the United Nations. The latter has indicated that he was available to act as intermediary in some cases, but that the request should come from a government and not from a criminal organization.

Some hon. Members: Hear, hear.

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

Since such a request can only come from the British or the Canadian government, does the latter intend to ask for the intervention of the Secretary-General of the United Nations?

Mr. Ouellet: I have already answered the question, Mr. Speaker.

[*English*]

FURTHER STEPS TO SECURE RELEASE OF JAMES CROSS

Mr. David MacDonald (Egmont): Would the Prime Minister be prepared to make a statement on motions as to what further steps may be taken in order to secure the release of Mr. James Cross in view of reports in recent days that he may still be alive and that, hopefully, his freedom might be secured?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the offer which was made much earlier by the government of Quebec and by this government to ensure the safe conduct of the kidnappers out of the country in return for the safe release of Mr. Cross still stands. If through one mediator or another the FLQ wants to discuss this with the government, we are still prepared to discuss it.

EFFECTIVE LIAISON BETWEEN POLICE FORCES

Hon. Robert L. Stanfield (Leader of the Opposition): In view of the apparent difficulty in establishing and maintaining effective liaison between the various police forces involved, has the Prime Minister personally checked into this to assure himself that there is effective liaison between the Royal Canadian Mounted Police and the provincial police? Can he assure the House that this type of liaison exists and that the various police forces are working together as a team?

Right Hon. P. E. Trudeau (Prime Minister): I discussed this with the Solicitor General and he might be able to report in greater detail in reply to a question directed to him. It is my understanding that an increased effort is being made to co-ordinate the work of the three police forces and that a special group has recently been constituted for this purpose.

NATIONAL DEFENCE

SUGGESTED RETENTION OF RADAR AND COMMUNICATIONS SCHOOL AT CLINTON

Mr. R. E. McKinley (Huron): I have a question for the Minister of National Defence. According to reports last week, the department will have to spend $1,200,000 on construction at Canadian Forces Base, Kingston, to facilitate the establishment there of the radar and communications school now housed on the Canadian Forces Base at Clinton. Will the minister not consider having this school remain at Clinton where there are already adequate facilities, along with other training programs which are being considered by various departments, both federal and provincial?

Mr. Speaker: I suggest to the hon. member that his question is in the form of a submission or representation to the minister; I do not think it is acceptable as a question at this time. If there is urgency, the hon. member might give notice of his intention to discuss the matter at ten o'clock.

Mr. McKinley: Ten o'clock, Mr. Speaker.

Mr. Woolliams: A supplementary question—

Mr. Speaker: Order. The hon. member obviously cannot ask a supplementary to a question which has been ruled unacceptable.

[*Later:*]

Mr. McKinley: My question is quite urgent, Mr. Speaker, because some of the facilities are being transferred at the present time. Could the minister give us an assurance that no more fixtures will be moved from the Canadian Forces Base at Clinton until a final disposition concerning the base has been made?

Mr. Speaker: Order. I have already suggested to the hon. member that his important question might well be debated at the time of adjournment. I am sure he would wish to ask his supplementary at that time.

ADEQUACY OF ARMED FORCES TO MAINTAIN INTERNAL SECURITY

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Minister of National Defence whether, in light of the use of the armed forces in the province of Quebec, his department has reached any conclusion that the standing forces as they now exist are inadequate even for the purpose to which I have alluded?

Hon. Donald S. Macdonald (Minister of National Defence): No, sir, we have not come to that conclusion. However, an assessment has now been made in connection with that operation, and the results of this assessment will undoubtedly find their way into the white paper on defence policy some time next year.

[*Later:*]

Mr. Woolliams: I have a supplementary question for the Minister of National Defence arising out of the minis-

ter's earlier answer. He says there will be an assessment of the adequacy of the armed services. Can he advise the House whether this is a result of some criticism by NATO or the result of what has taken place in recent days in the province of Quebec?

Mr. Macdonald (Rosedale): I can confirm there was no criticism from NATO.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): And there was no criticism from any part of the country about the response of the armed forces. In fact, even Claude Ryan thought they had done rather well.

Some hon. Members: Hear, hear!

INCREASE IN RESERVE FORCE TRAINING

Hon. J. A. MacLean (Malpeque): I have a question for the Minister of National Defence. Is the minister in a position to announce any plans, if such plans exist, with regard to an increase in training for the reserve forces during 1971, either in numbers or in the length of courses given?

Hon. Donald S. Macdonald (Minister of National Defence): No, sir, not at this time.

DESTROYER CONSTRUCTION PROGRAM—ADDITIONAL COST

Mr. Thomas M. Bell (Saint John-Lancaster): Now that we know the two destroyers will be launched in the St. Lawrence in the next few days, can the Minister of National Defence tell us how much additional money is involved and, if not, when will he be able to give the House this information?

Hon. Donald S. Macdonald (Minister of National Defence): The program is currently being reviewed. As a matter of fact, negotiations are taking place between the representatives of the government and the two contractors concerned with regard to the contracts. It is expected that the result of the negotiations and the final assessment in this regard will be available by about the end of the year.

* * *

FINANCE

SUGGESTED REDUCTION OF BANK INTEREST RATES BECAUSE OF HIGH PROFITS

Mr. John Gilbert (Broadview): My question is directed to the Minister of Finance. In view of reports that the banks have made tremendous profits, more especially the Canadian Imperial Bank of Commerce, up by 13 per cent in one year, and the Canadian National Bank, up by 15.7 per cent, will the minister ask the banks to roll back their interest rates so that their profits may fall within the 6 per cent guideline suggested by the government?

[*Translation*]

MANPOWER

QUEBEC—PROVISION OF RETRAINING COURSES FOR FARMERS' WIVES

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

With a view to enabling farmers' wives to contribute to a larger extent to the success of agriculture, has the minister looked into the possibility of purchasing for those ladies training courses from the province of Quebec?

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I shall have to take this question as notice.

* * *

AIR TRANSPORT

ARCTIC REGION—PROVISION OF ADEQUATE NAVIGATIONAL AND LANDING AIDS

Mr. Charles H. Thomas (Moncton): Mr. Speaker, my question was for the Minister of Transport who I thought was supposed to be in the House today. In his absence may I redirect it to the Minister of Indian Affairs and Northern Development since he may have a personal interest in the matter. My question arises out of statements made at the International Aviation Council meeting last week with regard to the alleged lack of navigational and landing aids in the northern and Arctic regions. Would the minister confer with his counterpart to ascertain what action the Department of Transport is taking to provide adequate navigational and landing aids to ensure the safety of those travelling by air in Arctic regions?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we passed legislation concerning control of navigation in the north last winter. I am also very much aware that the Minister of Transport is devoting a lot of his attention to the problem of navigation in the north, and I will convey to him what the hon. member has said today.

* * *

EXTERNAL AFFAIRS

CANADA-UNITED STATES MINISTERIAL MEETING—REQUEST FOR STATEMENTS ON SUBJECTS DISCUSSED

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a question for the Minister of Finance. Now that the ministerial committee meeting with the ministers' counterparts in the United States is over, I wonder whether he would indicate when he, the Minister of Industry, Trade and Commerce and the Minister of Energy, Mines and Resources will be making statements on the various subjects dealt with in the intergovernmental talks during the last two days?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I believe that the Secretary of State for External Affairs will be tabling a communiqué tomorrow.

Inquiries of the Ministry

NORTHERN AFFAIRS

IMPLEMENTATION OF LAND USE REGULATIONS—PERFORMANCE BONDS

Mr. Randolph Harding (Kootenay West): Mr. Speaker, may I direct a question to the Minister of Indian Affairs and Northern Development. When are the regulations respecting land use operations in the Yukon Territory and Northwest Territories coming into effect?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Soon, Mr. Speaker.

Mr. Speaker: Does the hon. member have a supplementary question?

[*English*]

Mr. Harding: A supplementary question, Mr. Speaker. In view of the required posting of $100,000 performance bonds by the two oil companies doing work on Banks Island in the Arctic, why has this regulation not been applied to all companies doing similar work in the Arctic area?

Mr. Speaker: Order. I would not think that this question as asked is in order.

* * *

INDIAN AFFAIRS

ATHABASCA-PEACE DELTA—ACTION TO OFFSET LOSS OF WATER CAUSED BY BENNETT DAM

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask the Minister of Indian Affairs and Northern Development, who is doing so well today, whether he has had discussions with the government of the province of Alberta with a view to providing either a dam or other works in the Athabasca-Peace delta to compensate for loss of water caused by the Bennett dam?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, this is a very complex problem in which two provincial governments are involved as well as the federal government since it is responsible for Indians who live in this area. We have initiated consultations with Indians. I personally met with their counsel who intends to take action against the British Columbia Hydro Commission about damages they suffered and I think this may be the procedure in the circumstances, because the Bennett dam was built in British Columbia, not in Alberta.

[*English*]

Mr. Baldwin: In light of the fact that it has now been suggested by knowledgeable engineers that there cannot be enough water released from the Bennett dam to make this compensation, will the minister be prepared to cooperate with the government of Alberta, if it should ask for aid for that purpose, of course, in arranging for some works to be constructed in the area in question so that these people, including the Indians in question, can be helped?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I was in Edmonton two weeks ago and I discussed that problem with the Indians of Alberta. It was agreed that a meeting will soon be held between the Alberta premier, the president of the Indians in that province and myself to discuss all the problems. It was specifically mentioned that we should examine the problem of Indians in the Athabasca area.

[*English*]

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, in view of the fact that this Peace River-Athabasca delta problem has further reduced the ability of the Indian people in the area to make a living, would the minister be willing now to respond meaningfully to the Alberta government proposal to settle the question of the Wood Buffalo Park boundaries so that any industrial development that might take place would then be able to proceed?

[*Translation*]

Mr. Chrétien: Mr. Speaker, we have a well-established policy on the matter and I do not think that it would be proper at the moment to reduce the present number of territories for conservation purposes. However, we have indicated to the Alberta government that we are ready to consider an exchange, if necessary, provided that our national parks system would not be the loser.

* * *

[*English*]

GRAIN

BARLEY—AMOUNT OF FINAL PAYMENT TO FARMERS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration who is in charge of the Wheat Board. In view of the widespread conjecture and concern of Prairie farmers that there will be little or no final payment on the 1970-71 barley pool owing to the large cash forward sales at the lower prices prevailing last spring, would the minister inform the House whether or not this will likely be the situation?

Hon. Otto E. Lang (Minister of Manpower and Immigration): No, Mr. Speaker, I cannot inform the House at this stage. It has been indicated before that until a pool has been closed or a calculation made, this information is not available.

AVAILABILITY OF BOXCARS—EFFICIENCY OF BLOCK SYSTEM ALLOCATION

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in view of the considerable amount of space in terminals at Thunder Bay, and in view of complaints at a number of local points of a lack of boxcars to move grain forward, would the minister assure the House that the railway companies will provide adequate transportation in the near future to improve this situation?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the grain in place at Thunder Bay is at about the ideal level for maximum working efficiency. There is a significant progress in maintaining space in elevators throughout the Prairie region in line with what is really the new objective, to see that there is space there and that congestion does not get in the way of proper handling of the grain.

Mr. Gleave: Mr. Speaker, could the minister assure the House that the procedure under the block system whereby cars are supposed to be allocated following shipping orders is working effectively?

Mr. Lang: Mr. Speaker, I can say that the block system seems to be working very well indeed. Of course there is some concern at particular points about the allocation of cars. I should remind hon. members that a portion of the decision as to where cars are allocated within the share allocated to a specific elevator company belongs to the elevator company.

PRODUCTION AND RECEIPTS POLICY—INTRODUCTION OF LEGISLATION

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, could the minister inform the House when legislation based on his October 29 proposal for grain income stabilization will be introduced?

Hon. Otto E. Lang (Minister of Manpower and Immigration): No, Mr. Speaker, I cannot put an exact time on that at this point.

Mr. Douglas (Assiniboia): Mr. Speaker, will the minister inform the farmers of the full details of the plan and provide adequate opportunity for them to make representations on the proposals before the legislation is finally enacted?

Mr. Lang: Yes, Mr. Speaker, it certainly is our intention, and this has already been made known to producer organizations, to welcome representations, and I am inviting them directly from all producers in moving toward final details of the plan. Those details which have not been finalized have not been finalized simply because we wanted the full advice of producers before coming to such a decision.

* * *

[*Translation*]

AGRICULTURE

DAIRYING—REVISION OF POLICY RESPECTING GRANTS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, in the absence of the Minister of Agriculture, I wish to direct a question to his Parliamentary Secretary. In the light of the report tabled yesterday by the federal Department of Agriculture before the agricultural conference, held in Ottawa, to the effect that the net farm income, in Canada, will increase by approximately $120 million in 1971, and decrease by more than $10.6 million in Quebec, does the minister intend to review his dairy policy and finally grant increased amounts to the dairy producers of Quebec?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, in reply to the question asked by the hon. member, I must say that the policy of the Department of Agriculture concerning dairy products is presently under consideration, and when the department has taken a decision, we shall inform hon. members.

* * *

[*English*]

THE CANADIAN ECONOMY

IMPLEMENTATION OF BAY OF FUNDY TIDAL POWER PROJECT AS MEANS OF PROVIDING EMPLOYMENT

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Prime Minister. Last week I asked him whether his government would reconsider its decision with regard to the study on the harnessing of the Bay of Fundy tides for power in view of decreasing interest rates and the anticipated heavy unemployment in the Atlantic provinces. The Prime Minister stated he would look into the matter. Has he had an opportunity to look into the matter and is he able to indicate the position of the government?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. There is no provision for reconsidering this matter at this time.

* * *

GRAIN

ALLEGED EFFECT OF DIVERSIFICATION PROGRAM ON HOG PRICES

Mr. Cliff Downey (Battle River): Mr. Speaker, I have a question for the minister in charge of the Wheat Board. In view of the seriously depressed price situation in regard to live hogs, would the minister tell us what plans he has to rectify this disastrous situation since it is a direct result of his diversification program in relation to grain?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, quite clearly this was not a result of the diversification program. If the hon. member knew his local facts he would know the move was well under way before the diversification program, but it is also true, of course, that the stabilization program which we propose should have a very good indirect effect on the hog industry.

INTERNATIONAL GRAINS ARRANGEMENT STABILIZATION —DISCUSSION AT CANADA-UNITED STATES MINISTERIAL MEETING

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Minister of Manpower and Immigration responsible to the House for the Canadian Wheat Board. With respect to the high level talks

presently going on between the Canadian and United States governments, can the minister indicate whether the two governments are discussing the matter of arriving at a formula to help stabilize the International Grains Arrangement?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, these conversations touched upon very many matters of interest between the two countries. That subject did come up as well.

STATUS OF PRODUCTION AND RECEIPTS PROPOSALS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Manpower and Immigration whether the papers he tabled setting forth his stabilization program are to be regarded as government policy or simply proposals for discussion?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the papers tabled indicate a plan of action which of course the government is indicating it would be willing to support. In some respects, of course, the proposals are not complete in final detail because there is very much elaboration which is to take place after discussions with producers and producer organizations, and of course we, as always, are ready to listen to any reasonable alternative proposals which seem to improve the plan.

* * *

IMMIGRATION

PROCESSING IN CANADA OF PERSONS FROM IRON CURTAIN COUNTRIES

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, this question is for the Minister of Manpower and Immigration. In view of the report by Mr. Sedgwick tabled last week, is the minister in the near future planning to institute regulations so that people coming from iron curtain countries to Canada and who wish to immigrate here may be processed in Canada and therefore be on the same basis as would immigrants from other countries?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the whole question of the matters arising out of Mr. Sedgwick's report and related issues is under consideration, and a decision will be taken in due course.

STEPS TO RELIEVE BACKLOG OF INTERVIEWS, INQUIRIES AND APPEALS

Mr. John Gilbert (Broadview): Mr. Speaker, I have a supplementary question. In view of the backlog of interviews, inquiries and appeals, what immediate steps does the minister propose to take to solve these problems?

Mr. Speaker: Order, please. It would seem to me that the hon. member is asking a question which should be answered by way of a general statement. Unless the minister can reply very quickly, I would think the answer should be given by way of a statement on motions.

[Mr. Southam.]

EXTERNAL AFFAIRS

EAST PAKISTAN—ARRANGEMENTS FOR DISTRIBUTION OF CANADA'S EMERGENCY RELIEF CONTRIBUTION

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I should like to ask the Secretary of State for External Affairs this question. What effective arrangements have been made by the federal government to ensure that Canada's $2 million in emergency relief will be properly distributed to the survivors of the East Pakistan catastrophe, and are any drugs for the treatment and prevention of cholera and typhoid part of our relief shipments?

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the department should reply to questions tomorrow and I am sure that the minister will be pleased to answer this one.

* * *

[*English*]

NATIONAL DEFENCE

MOVING OF INSTALLATIONS FROM ONE BASE TO ANOTHER

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to ask the Minister of Finance whether, in the interests of economy, he would warn his colleague the Minister of National Defence to guard against such wasteful practices as the moving of defence installations from places like Clinton to Kingston?

Hon. E. J. Benson (Minister of Finance): I will make representations.

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CRIMINAL CODE

ABORTION—INQUIRY AS TO INTRODUCTION OF LEGISLATION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the statement by the President of the Ontario Medical Association that Canada's present abortion law is now more restrictive than before the so-called reforms came into effect and that the required procedures now make the obtaining of an abortion more difficult, can the Prime Minister inform the House whether the government will introduce new legislation in this field and, if so, when?

Mr. Speaker: Order, please. I would remind the hon. member that this question was asked in similar terms a few days ago.

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POLLUTION

CONTROL OF MERCURY WATER CONTAMINATION BY DRYDEN AND SASKATOON COMPANIES

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Minister of Fisheries and Forestry. In

view of the recent strong condemnation of the United States voiced by the minister and by the Minister of Energy, Mines and Resources in relation to pollution of the Great Lakes, can the minister advise the House what steps have been taken, if any, concerning the industries at Dryden, Ontario and Saskatoon which are causing extensive pollution of Manitoba waters.

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, neither industry has polluted the Great Lakes system in any way. However, we have had meetings with the companies concerned and they have stopped dumping mercury into the adjoining waters.

* * *

INDUSTRY

ELECTRONICS—HARDSHIPS CREATED BY ALLEGED DUMPING OF FOREIGN TELEVISION SETS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of Finance. In view of the charge by the Canadian Electrical Manufacturers Association that foreign competition is creating undue hardship and high unemployment in the Canadian electronic industry, has the government made any move to investigate charges that Japan and Taiwan are dumping television sets in this country and, if so, will any tariff relief be granted to Canadian manufacturers?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, anyone who is injured can allege dumping and there is a procedure whereby national revenue looks into the matter forthwith; we have an anti-dumping tribunal to look into such matters.

Mr. Crouse: Mr. Speaker, would the Minister of Finance tell the House whether he has received any such representations from the Canadian Electrical Manufacturers Association.

Mr. Benson: I have not myself, but I could not answer for the Minister of National Revenue in this regard. However, I shall make inquiries.

* * *

NATIONAL DEFENCE

LIBERAL POLICY CONFERENCE RECOMMENDATION CONCERNING NUCLEAR FREE ZONE

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. Could the Prime Minister inform the House whether or not the government is considering acting on the recommendation of the Liberal policy convention that Canada declare itself a nuclear-free zone.

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, there will be a white paper on defence policy in which all these subjects will be considered.

Inquiries of the Ministry

FINANCE

PURPOSE OF INCREASE IN MONEY SUPPLY

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this question is for the Minister of Finance. It concerns some of the interesting activities of the Bank of Canada in the last several weeks. In light of the rapidly expanding money supply, I wonder whether the minister could tell us if the Bank of Canada is acting to expand the economy or is it supporting the Canadian dollar in the international market in order to maintain a subpar value for the Canadian dollar vis-à-vis the United States dollar?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, with regard to transactions on the exchange market, these become known only at the end of the month when figures are published, and my hon. friend can understand the reason for this. What has happened over the past eight or nine months is that the money supply has been increased by the Bank of Canada deliberately in order to stimulate the economy along with the steps that were taken on the fiscal side by the government.

Mr. Lambert (Edmonton West): Would the side effect of this be to maintain the Canadian dollar at a slightly subpar value in relation to the United States dollar in the hope that the Canadian dollar would soon be pegged at some value just below the United States dollar?

Mr. Benson: Mr. Speaker, I do not think the reasoning that my hon. friend has brought forward is necessarily correct. The reason for the expansion in the money supply is the obvious one I have stated previously, that we are expanding the economy and have a much easier monetary policy than we had a year ago or eight months ago.

* * *

POST OFFICE

INCOME TAX DEDUCTIONS FROM RETROACTIVE PAY

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I have a question for the minister responsible for the Post Office. My question was originally directed to the minister on Thursday, November 19. I would like to remind him of it. In view of complaints from postal workers that sums approaching $165 in income tax have been deducted from retroactive pay amounting to $574 awarded to postal workers will the minister undertake to determine if the amounts deducted at source are excessive?

[*Translation*]

Hon. Jean-Pierre Côté (Minister without Portfolio): Following that question, Mr. Speaker, I asked officials of my department to check whether errors had been made in issuing these cheques. It seems that such is the case and I have asked the Departments of National Revenue and Supply and Services to inquire into this matter and remedy the situation.

Inquiries of the Ministry

NATIONAL CAPITAL COMMISSION

PROHIBITION OF SNOWMOBILES IN NATIONAL PARK

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development.

As the Chairman of the National Capital Commission has announced a ban on the use of snowmobiles on federal park grounds and in view of the announcement by the Quebec Minister without Portfolio in charge of inter-governmental relations that a decision has been made and that the federal government must abide by Quebec policy in regard to such parks, may I ask the minister whether the government has decided to accept the Quebec decision?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the National Capital Commission does not come under my jurisdiction.

Concerning operations within national parks, snowmobile policy is well known.

* * *

[*English*]

HOUSING

PARTICIPATION BY CITIES IN FEDERAL-PROVINCIAL CONFERENCES

Mr. Lincoln M. Alexander (Hamilton West): I would like to direct a question to the minister in charge of housing. In view of the fact that over the weekend a group has placed much stress on the problems of urban growth and the necessity for reaching early solutions, and in light of the fact that the minister has given a grant to the Vancouver inner city group to follow through with an attempt to find solutions, has the minister taken any immediate steps to see that initiative is taken by other large centres in Canada in this regard?

Hon. Robert K. Andras (Minister without Portfolio): All such initiatives are being considered by us. Some can be encouraged and some cannot. I rather think the question is somewhat general but I will be glad to discuss it with the hon. member privately if I have missed the substance of the question.

Mr. Alexander: To get into the specific area, in view of the fact that the same group—

An hon. Member: What group?

Mr. Alexander: —indicated that there should be cities participating in federal-provincial conferences, is it the intention of the minister to approach his counterparts in the provinces in order to feel them out in this particular area?

Mr. Andras: Our views are already very clear on that. In fact there have been some informal discussions with various provincial ministers to continue to test their receptivity to tri-level discussions. That position has not changed.

Mr. Baldwin: You should send Hellyer out.

[Mr. Côté (Longueuil).]

Mr. Donald MacInnis (Cape Breton-East Richmond): Would the minister take this opportunity to answer the question that was asked him from the back bench while he was on his feet as to whether or not they are Liberal groups?

[*Translation*]

MONTREAL—DISCUSSION WITH PROVINCIAL AUTHORITIES TO ALLEVIATE SHORTAGE

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have a question for the minister in charge of housing.

In view of the emergency situation that exists in the field of housing in Montreal as a result of the proposed demolition of 4,000 housing units for the building of the East-West freeway, would the minister tell the House whether he has entered into any discussions with the provincial authorities in order to correct this critical situation, and what decisions were made in this respect?

Mr. Speaker: It seems to me that this question was asked a few days ago. If I am wrong, perhaps the minister can answer it.

[*English*]

Hon. Robert K. Andras (Minister without Portfolio): A few days ago I did make reference to some facts and figures on that. However, to repeat the answer in general let me say that we are consulting about this matter. We have poured great amounts of money into additional housing starts in the city of Montreal. We are aware of the situation which the hon. member describes and we will do everything we can to work with the provincial government to try to alleviate that distress.

Mr. Valade: My question was put to the minister to make sure that all the necessary means are taken to ensure that these displaced persons and families will find new houses when they are displaced or before.

* * *

THE CANADIAN ECONOMY

TAKEOVER OF RYERSON PRESS BY UNITED STATES COMPANY

Mr. John Burton (Regina East): I wish to direct my question to the right hon. Prime Minister. In view of the many representations to the government concerning the sale of Ryerson Press to McGraw-Hill, is the government engaged in any discussion on this matter or is it considering any measures to assist in retaining Canadian control over this operation?

Mr. Speaker: Order. I am sure the hon. member will recognize that that question was asked in exactly these terms on a number of occasions. However, if I am wrong, perhaps the Prime Minister might wish to reply.

Mr. Burton: On a point of order, Mr. Speaker, there have been new representations on this matter within recent days, and I thought the Prime Minister might like to comment in view of these representations, particularly from the Liberal convention.

POST OFFICE

RECEIPT OF RETROACTIVE PAY BY EMPLOYEES

Mr. Norman A. Cafik (Ontario): I should like to address a question to the Minister without Portfolio in charge of the Post Office. Could the minister indicate to the House when all employees of the Post Office will receive their retroactive pay resulting from the recent postal settlement?

[*Translation*]

Hon. Jean-Pierre Côté (Minister without Portfolio): Mr. Speaker, although these cheques were to be sent out within 60 days, it seems that as early as the end of the first month they were being mailed out. Most of the employees have already received them.

* * *

[*English*]

MANPOWER

UPGRADING OF ACADEMIC QUALIFICATIONS OF UNEMPLOYED—PROVISION OF FACILITIES FOR TRAINING

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to direct a question to the Minister of Manpower and Immigration. As he is well aware, a goodly proportion of those who are unemployed and will be unemployed this winter do not have the necessary academic qualifications to qualify for vocational training. I should like to ask the minister whether his department is making a particular drive this winter to assist these unemployed people to achieve the necessary academic qualifications?

Hon. Otto E. Lang (Minister of Manpower and Immigration): A portion of the additional funds which were made available recently, as well as the main portion of the budget for training, is of course devoted to basic skill training with a view to dealing with this particular problem. Of course the object of the department is to deal as much as possible with all of the applicants in a balanced way to produce the best over-all result.

Mr. James A. McGrath (St. John's East): I have a supplementary question for the minister. Has he or will he undertake to enter into discussions with the provinces with a view to making available federal buildings, such as National Defence buildings, to handle the upgrading program in anticipation of the high unemployment this winter?

Mr. Lang: I have looked into the question of the problem which the provinces have in regard to facilities. Facilities of a temporary nature are not normally adequate for the more complicated forms of training. For the basic skill training which requires much simpler facilities, those seem to be available in adequate supply.

Mr. Stanfield: Would the minister make a statement on motions at an early date indicating how many persons it is proposed to upgrade in terms of basic academic skills during the coming winter?

Mr. Lang: A report can and will be made in the ordinary course after the completion of the year or the placing of the full budget of the department. Until that is done it is impossible to put an exact number upon it because within the available finances more persons can in fact be trained if basic training is used than are trained if more expensive, higher skill courses are called for.

* * *

PENSIONS

OLD AGE SECURITY—TIME OF INTRODUCTION OF LEGISLATION TO PROVIDE INCREASE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Will the government's proposed legislation regarding old age pensions be introduced in time so that any increase provided therein can be included in the December pension cheques?

Right Hon. P. E. Trudeau (Prime Minister): The exact date will be known to the House when the legislation is introduced.

Mr. Knowles (Winnipeg North Centre): Will that be soon?

Mr. Speaker: Order, please.

* * *

FINANCE

SIZE OF INCREASE IN GROSS NATIONAL PRODUCT—TAX RELIEF MEASURES TO STIMULATE ECONOMY

Mr. Robert McCleave (Halifax-East Hants): My question is for the Minister of Finance. In light of the estimate of the Dominion Bureau of Statistics that in real terms the gross national product may only rise 2.7 per cent for 1970, which would be the lowest in more than a decade, is the government going to announce tax relief measures soon in order to stimulate the economy?

Hon. E. J. Benson (Minister of Finance): If the government were contemplating such a program of tax relief it would be announced in a budget in the House.

* * *

POWER

PROPOSED FLOODING OF SKAGIT RIVER VALLEY—SUBMISSION OF BRIEF TO STATE OF WASHINGTON INQUIRY

Mr. Tom H. Goode (Burnaby-Richmond-Delta): My question is for the Minister of Energy, Mines and Resources. In view of the news reports that Mr. John Biggs, head of the Washington state department of ecology, has announced that his department is going to hold hearings on the proposal by Seattle City Light Company to flood 6,000 acres of the Skagit valley in British Columbia, and in view of the fact that Mr. Biggs has made public his intention to ask the British Columbia government and the federal government to participate, will the minister assure the House that the government will submit a brief in opposition to any such flooding?

Mr. Baldwin: Order paper.

Public Order Act, 1970

EXTERNAL AFFAIRS

REPRESENTATIONS RESPECTING BRITISH POLICY ON SALE OF ARMS TO SOUTH AFRICA

Mr. Don Mazankowski (Vegreville): I should like to direct a question to the right hon. Prime Minister, Mr. Speaker. Will the Prime Minister inform the House if it is the intention of the Secretary of State for External Affairs to advise the British government with respect to the conduct of its policy on arms sales to South Africa on his scheduled visit to London commencing November 26, 1970?

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Yes, Mr. Speaker, I think the Canadian government's position on that matter is well known, and on his next trip to London, the Secretary of State for External Affairs will certainly restate the government's view.

* * *

[*English*]

NATIONAL DEFENCE

LENGTH OF EMPLOYMENT TERMINATION NOTICE TO SURPLUS WORKERS

Mr. Doug Rowland (Selkirk): My question is directed to the Minister of National Defence. In light of statements made in this House by his predecessor that employees of Canadian Forces Bases who had been declared surplus as a result of base closures would receive six months notice before employment was terminated, can the minister give the House an assurance that this policy is still in effect?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, I will have to make inquiries to see specifically what the hon. member is driving at.

GOVERNMENT ORDERS

PUBLIC ORDER (TEMPORARY MEASURES) ACT, 1970

PROVISION OF EMERGENCY POWERS FOR PRESERVATION OF PUBLIC ORDER

The House resumed from Monday, November 23, 1970, consideration of the motion of Mr. Turner (Ottawa-Carleton) for the third reading of Bill C-181, to provide temporary emergency powers for the preservation of public order in Canada.

Mr. Speaker: The hon. member for Nanaimo-Cowichan-The Islands had between 30 and 60 seconds left to his credit when we adjourned last evening.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, when the House rose I was pointing out to the Minister of Justice (Mr. Turner) that it was not good enough for him to be attending seminars and meetings of law societies to declaim about individual liberty and civil rights. He has an opportunity now to demonstrate that this is not mere empty rhetoric.

When the debate began the minister accused some of us in this corner of shrieking for our political lives. I want to say, Mr. Speaker, that there is something worse than shrieking for your political life and that is shirking for your political life. The Prime Minister (Mr. Trudeau) made it perfectly clear yesterday that the only reason the government is not agreeing to the setting up of a tribunal to ensure that there may be no abouse of the powers granted by Parliament is that the government of Quebec, and particularly the attorney general of Quebec, wants these extraordinary powers without any safeguards.

The position taken by the Minister of Justice demonstrates clearly that the man who has been held out as the Prince Valiant of the Liberal party now stands revealed as the spineless wonder of the just society.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. As we adjourned last evening, the hon. member for Nanaimo-Cowichan-The Islands had just moved an amendment to the motion that Bill C-181 be read a third time, proposing that the bill be referred back to the Committee of the Whole for the purpose of reconsidering clause 12 with a view to the inclusion therein of a provision for the establishment of an independent body to review the administration under the said bill.

I indicated I had some reservations about the regularity of this amendment. I should immediately put the hon. member's mind at ease and assure him that, although I still have serious reservations about the procedural aspect of the proposed amendment, I will put it to the House so that hon. members may have an opportunity to debate it and in due course, vote on it. Similar amendments were debated at length in Committee of the Whole House in relation to clause 12 and to clause 14 of the bill; I would think it would be the wish of the House that similar latitude be allowed at this stage of proceedings. A bill such as this one, which deals with individual rights and fundamental freedoms, should be discussed as freely as possible and should be given the benefit of the liberal interpretation of the rules and precedents.

As hon. members know, debate on third reading should be confined to the contents of the bill. This principle is enounced in May's 17th edition at page 572. May states further that reasoned amendments which raise matters not included in the provisions of the bill are not permissible. Citation 418 of Beauchesne's fourth edition reads as follows:

> All amendments which may be moved on a second reading of a bill may be moved on the third reading with the restriction that they cannot deal with any matter which is not contained in the bill.

At the third reading stage a motion is always in order to refer the bill back to a committee for the purpose of reconsidering any clause thereof. It is doubtful, however,

that it is procedurally correct to refer a bill back to a committee with instructions to include a provision which is not included in the clause which it is proposed to amend and which in fact goes beyond the purview of the clause. If in fact the proposed addition goes beyond the scope of the clause it seeks to amend, it becomes a substantive motion and cannot be moved by way of amendment.

These are general principles which apply on third reading. I respectfully suggest to hon. members that these principles should not be deemed to have been altered or amended in any way by the Chair's action in putting to the House the motion proposed by the hon. member for Nanaimo-Cowichan-The Islands.

With this caveat I will, therefore, put the motion as follows:

That Bill C-181 be not now read a third time, but that it be referred back to the Committee of the Whole House for the purpose of reconsidering clause 12 with a view to the inclusion therein of a provision for the establishment of an independent body to review the administration under the said bill.

Some hon. Members: Question.

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

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, the object of Bill C-181, An Act to provide temporary emergency powers for the preservation of public order in Canada, now at one of its most important stages, is to replace the War Measures Act now in force since mid-October as a result of the kidnappings of Messrs. Cross and Laporte. It is unfortunate that in Canada, in times of peace, the government should have been forced by circumstances to apply that statute in order to preserve public order.

Increasing social and economic injustices of all kinds finally breed public disturbances capable of doing considerable damage to our society.

The disturbances we are now witnessing in Canada are such that they could seriously harm the interests of Canadians and particularly those of Quebeckers.

I recently attended a reception given by one of the Canadian representatives at the United Nations and I was deeply humiliated and sorry to be asked the following question by several delegates from foreign countries: What is happening in that pacific country of Canada that did so much for world peace? Now it is fighting terrorism.

Mr. Speaker, if we are now afflicted by troubles, it is because authorities have been falling short of their duty for a number of years in failing to take the necessary steps to ensure a fair distribution of wealth in our country. Our economic system is defective, because some people who have an urgent need of money to meet their basic requirements have no purchasing power.

For many years, we have been warned by competent persons that if we did not reform our economic system, we would suffer from very serious social troubles. Only three years ago, American economists and sociologists, in a letter addressed to the President of the United States, stated that the first condition to avoid an unprecedented economic and social disorder would be to secure for each individual a guaranteed minimum income.

Since our country is close to the United States, obviously the warning served to Americans applies also to Canadians. Monopolies, trusts, economic dictatorship, all these keep on ruling the roost under the benevolent eye of this government. Financiers keep on controlling this country's money supply and credit and thus, they distribute the lifeblood through the economic system whose life is in their hands.

There, Mr. Speaker, is the main cause of the disorders that we live through and which also create misery and unemployment, as well as a lack of confidence from the younger elements of our present society.

So far, government authorities have met this disorder by displaying police machinery. Certainly it is the duty of the state to protect its citizens against aggression by those who threaten its legitimacy. However, it is also its duty to control the greediness of those who squeeze the people, of the big financiers who have abusively increased interest rates, one of the main causes of inflation and unemployment.

A social and economic situation cannot be remedied the way a bomb is defused. In a certain sense, when democratic governments have to rely on police forces to restore the prosperity and security of the country, it means they are gradually losing the game.

When groups of citizens, even if they are a minority, come to contest the legitimacy of government and to doubt the ability of public institutions to govern properly, when they resort to violence and disorder, it is a sign that something is wrong with the system.

This is an indication that it is most urgent that we should pass from the mere denunciation of the effects of violence to the consideration of its causes.

There are several other causes of disorder at the present time. A society is indeed in a permanent state of disorder when it tolerates the existence of the greatest number of unemployed in our entire history, half of them in the province of Quebec, lack of employment opportunities for millions of young people leaving colleges and universities, different standards of living from one region to the other in Quebec, especially in the rural regions which are not sharing in the affluence of large cities, inadmissible waste within the framework of an austerity program, useless delay in the reform of our fiscal and financial system—reform which would be possible without increasing personal income tax—nearly complete disorder in the development of our urban centres contaminated by pollution, noise, slums and poverty pockets.

• (3:10 p.m.)

It is unconceivable in this so-called era of evolution and progress that modern man, so clever in other fields, should want to remain today the salve of his own crea-

tion and should be unable to free himself from a financial system which shows flaws and inefficiency.

According to Bossuet:

The greatest disorder of the mind is to believe certain things because we want them to be such and not because we have seen what they are.

What hidden power forces our governments to maintain such a financial dictatorship? The true question is: who directs this country's destiny?

Another major cause of disorder is the broadcasting of television programs which show day after day acts of violence to the children. This has been going on for 20 years on the CBC, a Crown corporation costing millions of dollars every year to the Canadian taxpayers. We teach violence and, of course, we get violence as a result.

I remember that few months ago, a group of people had been invited by the CBC to see a film in a moviehouse of the Ottawa area. Among those present, there were a judge, a lawyer, a policeman, a clergyman and a politician who, in the circumstances, was your humble servant. The film being shown was "Z", which was presented for the first time in Canada. At the end of the representation, we were all invited to give our comments. Since it was a film on dissent, that the dissenters had finally resorted to violence, and there had even been assassinations of politicians, each of us contributed his comments. I remember that when the moderator asked me what was my view of the events depicted in the film and what my reaction would have been, had they taken place in Canada, I replied that everything seen in the film also happened in Canada now, only more hypocritically, and that it had been so for some time.

It is sad for parents who for many years made all kinds of sacrifices to bring up their children properly, give them good principles enabling them to live in society—paying the high price of this education—to see all those principles and training destroyed in all kinds of ways on radio and television. Everything likely to destroy, distort ethics and the highest human values, to hold them up to ridicule, is highlighted on the airwaves, and enters our homes to poison the minds of our children from their earliest years. However, only a very minimal part of broadcasting time is used to show the other side of the coin. Our young people should be shown programs which could help the parents to educate their children.

Television is a wonderful invention which could be very useful to society if the government would assume its responsibilities by giving to this means of communication a better orientation.

The authorities let agitators promote their views on the airwaves, stir up the fire of violence, and when this fire is making havoc, the government uses radical means which strike people with dismay, and make individuals fear for their liberties.

It is unfortunate for the province of Quebec that such legislation be passed. At first sight, the situation prevailing presently in Quebec seems to justify the darkest predictions.

[Mr. Lambert (Bellechasse).]

According to the explanations given by the Minister of Justice (Mr. Turner) in answer to questions asked by some members of the opposition, this legislation is solely intended for the province of Quebec.

The Minister of Justice said last night, as recorded at page 1393 of *Hansard,* and I quote:

This bill does not deal with force used or crime used to overthrow a government in Quebec with respect to the rest of Canada, whether by the FLQ or another association that might succeed it.

And he added:

I agree with the hon. member, but the target of this bill is the FLQ.

Let me remind you of a speech which a former RCMP Security and Information Director, Mr. Kelly, delivered before the members of the Canadian Club. He said in substance:

The Canadian campus has become the haven of dozens of foreign teachers and students who advocate political extremism.

And he went on:

School boards and universities—

—and as far as I know, there are universities outside of the province of Quebec—

—should make certain that professors and teachers are making use of their profession for teaching and not for spreading extremist ideas.

The educational institutions in Canada must not become incubators of terrorists.

He asked the following question:

"Who will have the courage to say that we have had enough?" He recommends that the public say it.

How many times have we heard similar remarks? What is the silent majority, who has always lived in a normal way and respected the rights and freedom of others, waiting for before it starts acting? What is this majority waiting for before it shows an attitude which could inspire confidence to the young who are now in search of their destiny?

The story goes on as follows:

He gave warning that unless severe measures are taken, Canadians will have to face other situations such as terrorism from the Front de Libération du Québec.

He did not only refer to Quebecers. He said: All Canadians across the country. He told the audience which was composed of federal senior officials and businessmen who gave him an ovation that he recommended

—capital punishment for the kidnapping and murder of political men and judges.

He added the following:

The federal policy permits revolutionaries like Jerry Rubin to visit Canada and make speeches provided they are under the aegis of persons of good character.

Provided speeches are made to persons of good character, we may allow anything to be said, by anyone

and we may allow the poisoning of our youth's mind. What is more, we put up with that, without saying a word. One may see what such an attitude is leading the nation to at present.

Mr. Kelly, former RCMP Commissioner, also said:

Boards of Education, school boards and university administrators must make a wise choice, and this applies not only to Quebec but to the whole of Canada.

Calling upon the people to become aware of the present situation, Mr. Kelly stated that new measures were required to fight crime. For instance, the police should be given access to tax files in order to be able to fight organized crime.

Organized crime is found not only in Quebec but throughout Canada.

This is why we would have wished for the special legislation to deal as drastically with organized crime as with the FLQ in Quebec, because indirectly and more surreptitiously it is also terribly destructive.

Mr. Speaker, here is my personal opinion with regard to capital punishment. Whether it is a crime against a minister or an individual worker, the victim has lost his life. This is why we have recommended that capital punishment be restored. Whether the family of a politician or that of a worker loses its head, in both cases the family head is gone and either life is of equal value at the family level.

I cannot understand why, in some cases, the authorities consider life as being invaluable, when in other cases they allow it to be destroyed. Evidence of this can be found in the great number of abortions. We have even reached the point where they are shown on CBC. Is our society going through the process of deChristianization? What is done to maintain the highest degree of civilization in history?

Such tragedies do not occur only in Quebec. Here in Ottawa, since 1962, ten violent developments have occurred in Parliament. The last one took place on May 11 last, when 36 persons, 11 of them tied on their seats, demonstrated in all the galleries. And hon. members will recall that the business of the House was delayed for two hours because of that.

In Vancouver, a professor was dismissed for expressing his support for terrorism. Those are the many reasons for which the emergency powers legislation should not only apply to Quebec.

I would also have wished for the relatives and friends of the detained person to be immediately made aware of his arrest. That suggestion had been made by the members of the Ralliement créditiste upon the invitation of the Prime Minister (Mr. Trudeau).

In order to avoid irreparable prejudice to certain persons who could be found innocent later on, the law should provide that the names of persons arrested should not be published before charges are laid. Democracy and justice still have their rights. Since this special legislation does not repeal the War Measures Act, that is one more reason why it should not apply only to Quebec.

Finally, Mr. Speaker, the central government should show more understanding towards the legitimate claims of Quebec. For many years, people who have nothing in common with terrorism have been asking for a more equitable distribution of income sources between Ottawa and the provinces, including the province of Quebec. Progress is very slow in this area. Unfortunately, events leave us for behind. Steps should be taken much more quickly to establish important industries in order to provide employment for the greatest possible number of people. The present unemployment crisis is far from improving things.

How can the province of Quebec develop when it has to pay $2.5 million per day in interest on its debts, half of which is paid to American financiers? It is far from surprising that Americans should have funds to invest in Quebec.

Here is an example of American control in different areas of our economy. I have in my hands a table showing that we have to work to correct certain situations in order to control more efficiently the Canadian economy.

American control amounts to 85.8 per cent in iron ore, to 65 per cent in oil and natural gas, to 68 per cent in manufacturing of boilers and plates, to 89 per cent in manufacturing of industrial electric equipment, to 68 per cent in pharmaceutical products, to 67 per cent in paints and varnishes, to 66 per cent in toiletries, to 62 per cent in soaps and detergents—and God knows how much of them we consume—to 47 per cent in other chemical products, to 51.3 per cent in sporting goods and toys.

This is the situation. To correct it, we need not arm ourselves with sticks nor explode bombs. First of all, people should become aware of the facts and then take the necessary means to achieve the changes required.

The sum of the interests paid annually by Quebec is nearly $1 billion, and this excessive appropriation of funds keeps the province from expanding at a quicker pace. This is why we would suggest greater use of the Bank of Canada to finance the public sector.

Actually, taxes increase constantly, which creates discontent and hardship. So, the revolutionary forces take advantage of the circumstances to make claims that may be justified while resorting to reprehensible means.

Therefore, we must immediately try to correct the situation. Otherwise, we might witness a bloody revolution—and I am indeed weighing my words, Mr. Speaker —and regret our inaction. Similar situations have occurred elsewhere and they developed as I have just explained.

Thousands of young people bursting with energy and new ideas are unable to find support and confidence to initiate the changes which they think are necessary. Grown-ups are concerned by the eagerness of the young generation to which they belonged not so long ago. In the absence of a valid solution from the state, they are tempted to look for a leader who will know how to meet their aspirations.

On Saturday, November 21, I met in my Montmagny office a young man aged 22. His first words were: "Sir, can you receive me even though I wear long hair?" His hair was long enough to reach to his shoulders. I stood up as if he had been the Prime Minister, I shook hands with him and told him: "You are here at home, you came to meet your representative. What is your problem? I do not care about your hair. I know you are a human being and that a heart is beating in your chest. I also know that in this heart there is something good and I want to help you." The young man replied: "I am jobless. I completed my studies last year in June and I am looking for work. Everywhere they ask me the same question: But, young man, do you have any experience? I am disgusted that the same question is always asked. Put yourself in my place. What do you think is going on in my mind?

I kept him in my office for one hour. I tried by every means available to make him understand how confident we are in our young people and how prepared we are to make the necessary efforts to give them an opportunity to live in Canada, particularly in Quebec, not as millionaires but so as to meet their needs provided they be the regular needs of a human being.

When he left, that young man was satisfied. He told me: "There is a man who understands us, a man who has faith in youth." And on the same evening, I took the opportunity, on the occasion of a Canadian supper, to spread this hope among the young for they need to believe in the sincerity and in the responsibility of adults and if we all stick together we shall be able to dam the tide of confusion and disorder which is now rising in our province and across the country.

We must first assure the financial security and the civil liberties of the citizens in Quebec as well as in the other provinces for these values have an economic significance. We believe that today civil liberties do mean something, but in theory only. For a very long time our party has been advocating a more equitable distribution of incomes across Canada. It is time for the government to listen to our voice which is also the voice of the people who demand greater justice.

Now is the time for generosity, sharing, reform of the economic system, fraternity, and humanization of economic as well as social and political structures. It is time to make money serve the human being in order to remove the understandable feeling of frustration that the people have because they do not get their fair share of the national production.

Furthermore, Mr. Speaker, if we must consider deep constitutional changes to eliminate the causes of the FLQ in Quebec, we believe that Canadian society must show greater flexibility and liberality. Now is not the time for arrogance but for understanding. Our task is to build a country, not destroy it.

The legislation before us should not be used elsewhere in Canada to tell the population: The act aims at bringing Quebec to heel, and tell the Quebecers: The act seeks to bring the FLQ to heel, because, then, that one act would have two purposes.

[Mr. Lambert (Bellechasse).]

Mr. Speaker, I spent five days in western Canada during the summer recess. I went there, not as a member of Parliament, but with my farmer's overalls. I visited the farmers to see what the situation was. In fact, in that part of the country, I saw people who live quite comfortably and others of modest means. I was impressed to see to what extent the people in that area are well aware of the situation that prevails in Quebec, to what extent they respect French Canadians.

If people in high places, and in information circles, were more objective and encouraged that feeling of Canadianism, of brotherhood and understanding, we could far more easily and rapidly build a strong and prosperous country, for our energy would serve to build rather than to divide and destroy.

In addition, we firmly believe that the federal government should from now on proceed with constitutional discussions in a spirit of brotherhood and reconciliation. As I said before, the essential matter is that Canadians should enjoy a decent standard of living. The constitutional problem should not be an impediment to the self-fulfilment of Canadians, including Quebecers. Such is my opinion.

As for me, I love my province and my country. I trust most of my fellow-citizens and I am ready to fight vigorously for the survival of democracy through democratic means. But I wish to goodness people would stop preaching patience to us and asking us to live with misery in the midst of affluence. This is becoming disgusting.

The silent majority will also have to become sensitive to social and economic problems and to co-operate to bring about the reforms necessary in order to build a society where life is enjoyable.

As for us members elected by the people, we must tackle immediately the task of settling the basic problems which gave rise to the FLQ. Finally, it will be necessary to bring back within the fold of democracy the individuals convicted under the special legislation. We must at whatever cost devise a rehabilitation system so that these individuals will come to believe in our form of democracy and its values. Action must be taken to prevent Canada from being perturbed again as it was in October last.

I know that this bill affects a single group and I am deeply moved by the fact that it is meant for Quebec only. It is unfortunate for my province. I also regret that our suggestions receive so little consideration. I hope that the present problem will not make us lose sight of our main objective, namely, to further the building of a beautiful and great Canada, from coast to coast.

• (3:20 p.m.)

[*English*]

Mr. David MacDonald (Egmont): In speaking to the amendment to the motion for third reading of this bill, it seems to me we are again addressing ourselves to the heart of the question before us, that is to say, the manner

in which the extraordinary powers which have been requested by the government are to be effectively administered in the best interests of the people.

I would say that nothing in the statements or actions of the Prime Minister (Mr. Trudeau) or the Minister of Justice (Mr. Turner) have in any way alleviated the fears, doubts and disquiet of members of this House or of the people generally. If anything, events over the past few weeks only confirm the tremendous need to have clearly stated in the law an effective form of review that will prevent, or at least will redress, the abuses that are more than likely to occur.

• (3:30 p.m.)

The arguments that have been put before the House both by the Minister of Justice and by the Prime Minister to the effect that we should trust the provincial authorities, particularly the Minister of Justice, seem to me to be fallacious reasoning, if not to say a rather ill-informed view, as to how the law operates in this country. The minister of justice or attorney general of any province is as much bound to observe federal and provincial statutes as any other individual citizen. To say that in certain instances, particularly instances where extraordinary powers are to be set forth, we should simply set aside the normal processes of protection and allow what we believe to be the wisdom, good faith and good jugdment of the provincial minister to be exercised, to me is the weakest form of argument possible.

I think it is an even weaker argument when there is the kind of pressure—and the pressure must be very great indeed—that there is on provincial officials at this moment. When those of us who are concerned about basic questions of civil liberties and civil rights in this country examine some of the things said by the Quebec Minister of Justice—I refer only to the possible introduction of identity cards—we are given a clear indication that in passing this legislation the members of the House must be given assurance, not through some statement of good intent or through trust of any given individual but through the only kind of guarantee that is possible with regard to the workings of this House, namely a guarantee in law.

If there are any doubts, Mr. Speaker, that abuse of the law by the authorities is possible, then those doubts should surely have been confirmed last evening and yesterday afternoon when we heard the Prime Minister, not only in this House but on the national media, respond to the question why a review clause was not inserted into the bill. The Prime Minister responded in his well-known, off-hand manner by saying: "Well, you know, there is a lot of propaganda being circulated by the separatists and the FLQ about how we are calling the shots for the provincial government".

In the first instance, I wondered why it was that he referred to the separatists and the FLQ. The people of this country have been told by the government over past weeks and months that the one threat the government and the country must move against is the FLQ. In the Prime Minister's statement heard nationally on television and radio last night, he said that it was the propaganda that was being circulated by the separatists and the FLQ, indicating at the very least a confusion of mind, or if not confusion, a very dangerous intent, on the part of the Prime Minister. If the right hon. gentleman who leads this government is that confused, then how can the members of this House be expected to trust good intention and good judgment, not just of a provincial attorney general and minister of justice, but of individual police officers and authorities, thousands of whom will be acting under this special legislation?

If the Prime Minister is so confused as to lump together all those of separatist persuasion in the province of Quebec—a factor that some of us have feared for some time now—and the members of the FLQ, who surely must to most reasonable people in this country be an entirely different order of individual, then it is all the more important that the amendment that has been requested over past days to this law be not only earnestly considered by the Minister of Justice, but acted upon at once.

Once more the Prime Minister seemed to return to his favourite argument, all reason seeming to be unworkable and all answers seeming to be not worth mentioning, when he resorted over the past week end to suggesting that there is, of course, the well-known constitutional problem. How often it has been convenient for the Prime Minister to talk about the constitution posing a major problem. He has talked about it in response to the tremendous need there has been in this country over past years for something to be done about the desperate plight of those people who have no decent housing. His only response has been that we really cannot effectively meet that situation because there is the constitutional problem.

We are now again being told in this grave situation that there is this constitutional problem. I think Canadians should know that when the Prime Minister throws in, as his final and strongest argument, the statement that there is a constitutional problem, what he is really saying is: "I won't do it, I don't want to do it, and I have made up my mind I am not going to do it". That is what the Prime Minister means. When dealing with questions of great importance to this country it is high time the Prime Minister stopped resorting to this shabby "non-argument", because, frankly, that is all it is.

Why is the question of review so important to this legislation? It is important for any number of reasons. I would say in a general way that, as we have gone through the clause by clause study of this bill during the past few days, we have come to realize collectively, as individual members have made contributions to the debate in this House, that there is much more than a first glance would indicate that is dangerous and unclear in this legislation. Even worse than the things it does say are the things that the legislation does not say, but to which there are hazy referrences. The fact that almost every clause is open to very dangerous misinterpretation should itself demand that the government be only too willing to respond to something that is overwhelmingly supported by the people of this country. Surely this was

obvious when the government's own party, meeting over the last week end, spoke favourably of the action taken by the government and at the same time spoke of the utter necessity for there to be some kind of review clause in the legislation.

A basic question has not yet been answered by the Minister of Justice, and this alone should underline the necessity for some kind of check being made on the administration of the bill. That basic question is this: What does the FLQ stand for? What in fact is the FLQ? In the preamble, and I think also in clause 3, the minister has tried to describe some of the things that the FLQ might do. In referring to those things he is referring to things which quite accurately and honestly will be covered by the provisions of the Criminal Code.

One question that is being raised here, a question that I think it is critically important that the minister answer, is: What in fact makes the FLQ different from other organizations? What are the stated aims and purposes of this organization, the members of which can be indicted and found guilty? The Minister of Justice has given no clear statement with regard to what the FLQ is, and neither has the Prime Minister. I doubt whether either of them has answered this question publicly outside the House. We know for a fact that the very dangerous step that has been taken by the government, both in its introduction of the regulations under the War Measures Act and its introduction of this legislation which makes an organization illegal in itself and its members subject to certain penalties, is the foggiest, fuzziest, most fraudulent kind of thing to do. It has been done in the hope of trying to deal with a very serious situation.

Apart from being very bad legislation, it is very old-fashioned kind of legislation. Members of the governing party some 30 years ago realized how foolish it was to try to define an illegal organization, and they did something to try to end such legislation. The fact that it is almost impossible to know from the legislation just what the FLQ really stands for, and that the government has not tried to define it in this House, is bad enough. But what is transparent to an increasing number of people in this country is not only that you cannot define what the FLQ is as a distinctive organization in itself, but the very action of outlawing a certain organization lends the possibility, the very real possibility, of smearing individuals, groups of people and organizations.

• (3:40 p.m.)

We have seen an example of this as recently as a few days after the invoking of the War Measures Act when the Minister of Regional Economic Expansion (Mr. Marchand) inadvertently, to say the least, referred to the FRAP party in Montreal, indicating that it might be some kind of front organization for the FLQ. How a minister of the Crown could make that kind of a monumental slip in the last few days of a major municipal election campaign, and then not feel compelled to resign, is a principle I cannot understand.

Even more, there is a kind of ridiculous quality to this whole affair. I suppose the letters that have become most well-known in our society in the last few months are, of course, the letters FLQ. In fact, I heard a little story the other day and apparently it is true. A child came home from school and asked his father how many letters there are in the alphabet. His father replied that there are 26. to which the child said: No, no, there are only 23, they have taken out F, L, and Q. Even the children realize the ridiculousness of this situation, and it is ridiculous I agree.

I presume that if somebody were to come to parliament hill this afternoon waving a placard with the letters FLQ on it, he would immediately be apprehended and obviously indicted because he was displaying these three letters. If it turned out that in very small print below FLQ there appeared "Fédération de libérale du Québec" I wonder, then, what in fact would be the interpretation of his innocence or guilt.

This is ridiculous because the idea of dealing with a very serious problem of terrorism and social unrest in the Province of Quebec or anywhere else is futile if it is based on the idea of outlawing an organization. If in fact the minister wishes to insure that justice is going to be done, in what I call an almost absurd situation, at the very least there needs to be the establishment of some kind of a review board. I would ask quite frankly when this bill becomes operable, as the successor to the War Measures Act, who will be the major victims of this clause outlawing this organization? I do not think the victims will be the people who have committed acts of terror.

I think the first and most obvious reason for this statement is, of course, the penalty which, as I recall it, is only five years or $5,000. In respect of a man who has participated in a bombing, in an act of terror, in a kidnapping, or in that most brutal act of all, an assassination, it would be utterly and transparently ridiculous to charge anyone under that kind of measure. Naturally, he would be charged under the Criminal Code in which there is a reference to these acts of physical destruction, kidnapping or of murder.

What is then left? If there were a group of people who were plotting to overthrow the government by violent means they, too, would not be charged under this bill because this is a major crime. There is a provision for sedition and treason in the Criminal Code. So, we cannot include those masterminds who may be plotting to overthrow an established authority in this country.

Who then remains to be convicted under this measure? We have seen that one person was convicted because he confessed. Presumably, if some person had not committed some obvious act of crime or terror but admitted freely to being a member of such and such an organization, he might well be convicted. In other words, those people who might be convicted under this measure would be those who might convict themselves of membership in the organization.

What happens in a society during a period when there is great focus upon a particular crisis or a particular act of social unrest? Some people who are on the fringes of sanity, or on the fringes of the regular mainstream of

society, will seek some kind of perverted sensationalism or publicity by coming forward. Any experienced lawyer will tell you that when a bizarre crime has occurred, perhaps robbery or murder, and the police are looking for suspects, all too frequently a number of people will come in to confess because they are intrigued with the publicity they will get, never thinking of the consequences that the confession might bring them. This is one of the very real dangers. A number of deluded people, misguided and forsaken, will allow themselves to be abused under this foolish and unnecessary provision of the law. I think more than likely those are the people who are going to be affected. I refer to these ill-advised individuals who, almost because of themselves, will be caught up and convicted under this provision.

The action of the government in bringing forth this legislation, without at least introducing a provision for review, seems to me to be the height of presumption and arrogance. Surely, it must only be because people have not had time to think through the total situation, or because the fear they have shared individually and collectively has been so great, that they have lost the willingness at least to question what the government is requesting.

As I have indicated, the government is asking for a drastic provision outlawing an organization without in any way attempting to define what it is. Secondly, it is going to reverse the standard court procedure which has operated for centuries in relation to the presumption of guilt. It is going to ask as well that there be unlimited powers of search which will apply in every situation. It is asking that property may be seized and held for an indefinite period of time, a subject in respect of which there has not even been too much question here. The government is requesting that there be a period of detention of from three to seven days initially without charge, and following that a period of up to 90 days, a quarter of a year, before a person may be brought to trial. It is asking that evidence of membership or activity in this organization, which may have occurred years prior to this bill becoming law, be accepted as proof under this law.

This is a contravention of the basic workings of our legal structure in this country. Even 20 years ago, we were willing to sign an international declaration of human rights which said, in Article 11, that no government shall pass a law today declaring something which happened before that law was passed to be a crime. I am really wondering what our government is going to do about that. Is it going to indicate to the United Nations that we can no longer concur with that particular article of the International Charter on Human Rights? I will have more to say about that later because I feel that is only one aspect of the very retrograde steps this government is pursuing in this legislation.

The government is also asking for the right to arrest without evidence, but simply on how a certain police officer may feel on a certain day. He might have "reason to suspect" but it is not important whether his reason is good, bad or indifferent; as long as he has reason that is sufficient. The government is asking as well that this act be extended, if the government so desires, without too much fuss or bother even at that point.

We have here a series of truly amazing requests being made by the government without any substantial indication that there is a real need for them. In the early days when the War Measures Act was invoked and the regulations were passed, there was a certain sense of overwhelming support from this House, and one believes from the country, for what the government was doing. In succeeding days and weeks what has the government done to indicate either that it was right when it acted in the first instance or, even more important, at this point. We can only deal with the present and try to work towards a reasonable future. For what earthly reason does the government at this point, some five weeks after the imposition of the War Measures Act, now ask for the continuation of this legislation until the end of April next year?

• (3:50 p.m.)

That, surely, is the major question which must be asked by members of this House. Why is the government so anxious to have the legislation at this point? What are its reasons for asking for such sweeping, and in many aspects unreasonable, powers to be placed in the hands of those who have not overly proved their competence in the weeks gone by? In what way can the government or the Minister of Justice assure us that the passage of this bill will ensure the freedom of Mr. James Cross? In fact, if I may be frank about it, I have not been overly touched by the concern this government has exhibited in the past few weeks in respect of securing the freedom of Mr. Cross. Certainly, in so far as my question to the Prime Minister today was concerned, there seemed to be no real desire to consider new avenues and new ways in which the release of Mr. Cross could be obtained.

An hon. Member: Suggest a couple.

Mr. MacDonald (Egmont): This would be shocking enough if a citizen of this country were involved, but we are talking about a man from whom this country has a very special responsibility, a representative of another sovereign nation. Yet for some days the government has acted as if this question were simply no longer important. If this is not the case, then I would simply urge the government to give us more evidence of the fact that it is doing everything possible to secure this man's release and to relieve the unbelievable suffering and uncertainty he has been living under these past number of weeks.

The government suggested a review commission is presently operating. It has suggested a group of men is operating on behalf of the provincial government which is quite able to fulfil all the concerns or even the problems which may arise in respect of the administration of these special powers. I think, however, that perhaps the government, the Prime Minister and the Minister of Justice have been less than frank in telling us what real responsibility this commission has or what real stature it has.

In today's newspaper the Prime Minister is reported as having said that the commission will be able to look after the problems that would be raised in this respect. But the reporter for the *Globe and Mail*, in trying to check out the position this commission might hold in relation to the authorities in Quebec, was told this commission apparently has no legal power. A spokesman in the office of the Quebec justice minister, Mr. Jerome Choquette, said yesterday that he believed the commission has government approval but no government mandate. That is the sum and substance of it. The commission has government approval, presumably for as long as the government feels it is acting in its best interests, which is reasonable to assume, but has no government mandate. In fact, it operates merely at the whim of the authorities. I am sure that if Mr. Hebert could be here to report on everything he could give us a particular review of what has been happening in respect of the administration of War Measures regulations and it would not be a very encouraging tale.

The government has given the impression that the institution of such a review board would be difficult to achieve. One wonders where the members of the government have been for the past 30 or 40 years. I have been a member of this House long enough to know that almost every piece of legislation, whether in an area of joint jurisdiction, as much of it has been in the past two years, or legislation in one jurisdiction or another, has time and again included provision for review boards or boards of some kind. This provision gives the public and the members of this House some feeling that the administration of a particular measure will be carried on in an effective way. Right now, in this country there must be hundreds of separate advisory and review boards which act to protect the public interest. For the government to fall back on the weak and irrelevant constitutional argument seems to be the last vestige of any reasonable argument at all.

Yesterday afternoon in this House of Commons the Prime Minister reported that, as a result of the Liberal policy convention, he tried to work out with the Prime Minister of Quebec some kind of instrument. I find it difficult to believe the Prime Minister can sincerely believe in that argument or that he could be so short of imagination. I find it difficult to believe that he and the Quebec Prime Minister would be that unwilling to follow the express wishes of the country and of their party by failing to introduce an amendment which would provide for an effective review procedure that would guarantee at least minimal safeguards in respect of the administration of this bill. The dangers that are inherent in this bill are difficult for any member of this House to accept, but I think it is even more important that we remember the climate in which this bill is being brought forth. This bill has been introduced as a result of a special situation; in many senses of the word, it has been a crisis situation. From being in contact with and talking to people in the province of Quebec, I know there has been a deep feeling not only of unrest but of great fear.

The authorities who have been trying to root out those responsible for terrorism, kidnapping and murder must

be frustrated and must be becoming more and more tired. One might expect that some of the thousands of people who have been working night and day for a period of almost two months must be becoming almost desperate in trying to write an end to this unhappy page in our history. What makes me so fearful in this instance is that when men are frustrated, tired and desperate they are quite likely to do very desperate things and innocent people who have a right to expect basic protection under the law suddenly find themselves in the most unfortunate situations. This is something that members of this House should not treat lightly. If the Prime Minister can be so easily confused between the FLQ and separatists, and we know that some men and women in the province of Quebec have been moving toward separatism, we cannot be happy about the fact that the abuse and misuse of these sweeping powers could achieve ends opposite to those for which this legislation is intended.

If we should find ourselves in the unfortunate position of having to look back on this period and realize that the legislative action taken has, in fact, deepened and worsened the problems that exist in the province of Quebec, then not only the members of the government but all members of this House will bear a great sense of guilt. I am not saying we can remove ourselves from that guilt even with the introduction of a review commission, but I think it is the kind of minimal guarantee that the government surely must recognize is a necessary requirement, even at this point. If the government does not recognize this, then I can only say that, to the best of my knowledge and understanding, they have not acted in the best interests of this country.

Mr. Douglas A. Hogarth (New Westminster): Mr. Speaker, I had not planned on speaking today, but I am absolutely astonished that the hon. member for Egmont (Mr. MacDonald) does not know what the FLQ is. There was a man in Quebec not too many weeks ago who pleaded guilty to being a member of the FLQ and received 15 months in prison. I think he knew what the FLQ was. There was a 65 year old Montreal watchman who, on April 20, 1963, was the first bombing victim of the FLQ, and his family knows who they are. A month later a demolitions expert was endeavouring to demolish one of the bombs that have been put in 15 mail boxes in the city of Montreal. That man knows who the FLQ are. There are 23 convicts in the penitentiary in Canada whom the FLQ are trying to get out. They know the FLQ exists and they are there because since 1964 there has been a series of thefts, hold ups and every other conceivable form of nefarious crime, including the theft of every type of weapon, munitions and equipment from military establishments. These people are obviously responsible for these crimes and at times boast about it.

• (4:00 p.m.)

On August 29, 1964 two people were killed during an unsuccessful attempt to hold up the International Firearms store in Montreal. This was attributed to the FLQ. Who are the members of the FLQ? They are a group of psychopathic terrorists who are doing exactly

what the bill before us is trying to stop them from doing. You asked for evidence. In 1965, FLQ terrorism included the derailment of two trains, endangering the lives of hundreds of people.

Mr. Paproski: What did the government do about it?

Mr. Hogarth: On May 5, 1966, a 65 year old office employee was killed by an FLQ bomb. His family knows who the FLQ are. In 1968, 300 sticks of dynamite were stolen from The Chomedy quarry, and that year there were 21 bombings, including the bombing of the Montreal city hall.

Mr. Paproski: Where was the government?

Mr. Hogarth: The FLQ bombed the Montreal stock exchange on February 13, 1969, injuring 27 innocent people. On September 28, 1969, the home of the mayor of the city of Montreal was bombed. On June 24, 1970, an FLQ explosive killed a 50-year old Ottawa civil servant.

The Acting Speaker (Mr. Laniel): Order, please. Perhaps at this time the Chair should remind hon. members that the debate is now on the amendment which would refer the bill back to the committee for the purpose of establishing an independent body to review the administration of the said bill. The Chair has been lenient and has given some leeway to the previous speaker, but I feel that at this time I should remind hon. members to try to confine themselves as much as possible to the amendment. It is only after a vote has been taken on the amendment that a general debate on all the clauses of the bill can be entered into, unless another amendment is put forward.

[*Translation*]

So I would ask hon. members to keep as much as possible to the matter now under consideration, that is, the advisability of referring the bill to the Committee of the Whole, with a view to adding to it provisions aimed at the establishment of an independent review agency.

Even if so far the discussion has extended over the subject of such an independent committee to review those measures provided in the bill, I feel that it is important at this stage to ask hon. members to keep as much as possible to the amendment under consideration.

[*English*]

Mr. Hogarth: I certainly appreciate your directions, Mr. Speaker, but it would appear to me that since the hon. member for Egmont (Mr. MacDonald), asked these questions and said that there was no evidence, I am entitled to put some of the evidence before him and before the House.

Let me say, to conclude, that there have been riots. There is ample documentation to show what the FLQ intended eventually. There have been kidnappings and the infiltration of federal and provincial agencies. There has been all kinds of evidence.

Mr. Paproski: But you did not believe it was in the Company of Young Canadians.

Mr. Hogarth: There has been all kinds of evidence to indicate that this legislation is necessary. When the hon. member says he does not believe it, may I point out to him that if he reads the Committee minutes relating to that evidence he will find I asked why it was that the then government of Quebec had not requested assistance from us. He will see that when the present government of Quebec asked us for assistance, this government acted.

Mr. Paproski: You should have acted there and then.

Mr. Hogarth: That is the point on the proposed amendment of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). The government of Quebec, whatever political philosophy it might have, is and has been responsible for the administration of justice in the province of Quebec. We are responsible for the establishment of the substantive law.

Mr. Paproski: Then be responsible.

Mr. Hogarth: We are responsible for the establishment of the laws of criminal procedure, but this government is not responsible, nor can it assume the responsibility, for looking after the administration of justice in Quebec. The political decision has been made, and the sound constitutional decision has been made, that the law that we have before us is to continue with the same constitutional provision we have with respect to all our criminal law, and that is that the administration of justice is the responsibility of the attorney general in any province in which justice is to be administered. In this instance we have provided that the attorney general of Quebec have broad powers in dealing with the liberty of the citizen, and he has established *de facto* what is really requested in this amendment.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Where?

Mr. Hogarth: It was announced in this House. The names were given. In addition, there have been absolutely no complaints filed with the federal Minister of Justice (Mr. Turner) that he has not carried out his duties properly in the interests of the administration of justice not only in Quebec but in the whole of the country. How could we gain by, first of all, entering the field of the administration of justice by accepting this amendment or one of the amendments similar to it that have been put forward and then telling the attorney general of Quebec that, on the one hand, we give him these powers but, on the other hand, not only are we going to ensure that they are properly carried out but we are going to have independent citizens see that they are? This is absurd. So, we would delegate the administration of justice not even to the Attorney General of Canada or the attorney general of Quebec but, in the last analysis, to a group of independent citizens. How absurd can you get. This is manifestly out of the question.

A suggestion has been made by the hon. member for Egmont that this law eventually will bring about the aims of the FLQ. That is absurd. I suggest that the moment we interfere so drastically with the administration of justice in any province we will bring about a constitutional problem which will just amplify those we already have on our hands.

Hon. members opposite are concerned, and so are we, about the resolution that was passed at the convention last weekend. We must all be concerned about that, particularly on this side of the House, but let us bear in mind that that resolution was predicated on the belief that there would be no want of confidence in the attorney general of the province of Quebec. It is obviously absolutely impossible to do what these projected amendments and the resolution suggest on the one hand, and then say we have complete confidence in the attorney general on the other. That is the only way in which we can deal with the resolution.

Mr. Mark Rose (Fraser Valley West): In my contribution to the debate on this amendment to the motion for third reading, I would like to deal at least with some of the points raised by my colleague, the hon. member for New Westminster (Mr. Hogarth). I would like to suggest to him that he put his case forward strongly and urgently. A colleague close to me adds "ridiculously". Anyway, he spoke very forcefully about this particular matter. It seems to me, however, that on a number of other occasions the constitutionality argument has been raised and, I believe, answered.

• (4:10 p.m.)

There are a number of special cases in our legal system which result from the government of Canada having passed special laws and because of the speciality of these laws the federal authority has handled their administration. I should like to cite three or four of these. There is, of course, the narcotics legislation which is under the authority of the Royal Canadian Mounted Police.

An hon. Member: That is different.

Mr. Rose: There is customs and excise; there is the Income Tax Act.

An hon. Member: That is different.

Mr. Rose: There is the Food and Drug Act.

An hon. Member: That is different.

Mr. Rose: It seems to me that it is not a closed case, no matter how loudly are shouted the positions from either side of the House. I believe some room for argument exists and I think we delude ourselves if we suggest there is no room for a constitutional argument on this or even on the matter of the war measures proclamation itself.

I think we can claim that our debate during the last month has shown that there is another side of the coin in our dealing with the vicious things that happened due to the FLQ in Quebec. People are now beginning to realize that all the arguments that have been used by the government in the proclamation of the War Measures Act are not necessarily valid and that there is room for another opinion. I think more people are beginning to take a look at the alternative option.

Dealing with the amendment before us, I should like to read a brief excerpt from the Gazette of November 14, 1970, dateline Quebec where Derek Hill writes:

> The honest law-abiding citizen has nothing to worry about whatever measures are taken by the government, concluded Mr. Choquette.

Mr. Choquette's argument has been raised a number of times all over the country, not just in Quebec. We hear that you have nothing to worry about as long as you are a law-abiding citizen. We are always told this, but try and put that across to the 397 people who were in jail for days and weeks without charge and were subsequently released. I would like to ask if their experience illustrates that law-abiding citizens had nothing to fear under the legislation and regulations following proclamation of the War Measures Act. Obviously, a number of those people had a great deal to fear.

How many innocent reputations have been tainted, not because they were charged and convicted but because they were picked up in the street? They were left to languish in jail with no opportunity to inform their families. They were a worry to their families and employers and have had the finger of suspicion pointed at them for the rest of their lives. We should think of these things and ask some of these people who were picked up and released without charge how they feel about the absurdity of a review board.

Police can make mistakes, Mr. Speaker, as can all humans. I happen to believe that the Montreal police may be more accident prone than others. I say this because my province had a recent nasty experience with the Quebec police when a British Columbia civil servant was pistol whipped on the the street by the Montreal police.

An hon. Member: Quebec.

Mr. Rose: I am sorry, Quebec City.

An hon. Member: Get the facts.

Mr. Turner (Ottawa-Carleton): On a point of order, Mr. Speaker, I think that this case is before the courts and so the hon. member may not want to say too much more about it.

Mr. Douglas (Nanaimo-Cowichan-The Islands): He can certainly discuss the facts of the case.

Mr. Turner (Ottawa-Carleton): The case is before the courts and one of the rules of this House is that members use their best discretion when a matter is before the courts. I think the member could use his best judgment.

Mr. Lewis: He can just say it has happened.

Mr. Turner (Ottawa-Carleton): That is right.

Mr. Lewis: That is all he is saying.

Mr. Turner (Ottawa-Carleton): That is right.

The Acting Speaker (Mr. Laniel): The Chair is not aware of the conversation that took place between the two hon. members, so it might be a good time to remind them to address themselves to the Chair so that a decision can be made if it relates to the work of the House.

Mr. Rose: Mr. Speaker, I am sorry you were not in on the exchange but I sat down and the Minister of Justice was kind enough to update me on some of the facts of this particular case and to admonish and warn me that I must not go too far here. I accept the warning. I really did not wish to comment on it but I think I could ask a question. What would have happened had this particular situation occurred with a common labourer, say an unemployed labourer from British Columbia who happened to be visiting Quebec City on his vacation?

I hear a comment from the wings to the effect what would have happened if the War Measures Act had been in effect? There was no apology. Since I understand this matter is before the courts, I shall not comment on it further except to say it is unfortunate that a British Columbia civil servant happened to have the bad luck to resemble a bank robber.

Mistakes can happen in spades with the normal powers of police. Some of us fear that with the special powers granted under Bill C-181 more excesses will become a matter of course, and we are worried about this. This is why, aside from the constitutional problem, people on this side of the House and at least one on the other side have risen repeatedly to make their views heard. Canadians need some kind of officially constituted review board, not a review board that operates on sufferance. It has been said repeatedly that special powers need special kinds of protection. One of Parliament's hangups has been that while the federal government passes and transfers these awesome powers to the attorneys general of the various provinces, our federal government has no responsibility for the control of them.

As I said yesterday, trust is a wonderful thing and so is faith, but so often these are not enough. We have heard that all members of the FLQ are not necessarily terrorists. I do not know whether that makes them any more acceptable; certainly terrorists are unacceptable in this country. Canadians have had very little experience with terrorist behaviour. If FLQ members are not terrorists, then what are they and what are they doing? Are they pursuing legitimate ends through legitimate means and just happen to be separatists, a view not particularly acceptable to me nor to many other people in Canada.

Why do we need these powers? Is it to deal with FLQ members who are not terrorists but may be separatists? Are we looking for the kind of power necessary to deal with people who have not committed any crime? It seems to me that our democratic institutions should be sound enough to deal with these ideas without special powers to apprehend people not because they have committed crimes but merely because they possess ideas that may be unacceptable. Our system must be strong enough to be victorious over ideas or it is not worth keeping. We are afraid at this stage that the cure contemplated by the special powers, or the legacy of the cure, may well be much worse than the disease. We say this in all sincerity, and without any frivolous intention whatsoever. Therefore, we are speaking in support of the kind of review board, tribunal or body that may be acceptable to the government, that will take care of worries, concerns and fears relating to the excesses which I have mentioned. We do this because we think that if there is a will there will be a way in which to protect the civil rights of people, regardless of the rigidity and inflexibility of the government and the constitution.

• (4:20 p.m.)

I should like to say a few words of congratulations to my colleagues in the Conservative party for the valiant fight they have carried on in order to make Bill C-181 more acceptable to those Canadians who are sensitive about matters affecting civil rights and threats to our civil liberties. I was impressed by the indignation expressed by the hon. member for Calgary North (Mr. Woolliams), the hon. member for Peace River (Mr. Baldwin) and by the Leader of the Official Opposition (Mr. Stanfield). I listened carefully to the Leader of the Official Opposition, who is a fair minded man. I have great respect for him. His words and logic convinced me that unless the government does something to make Bill C-181 more acceptable, I ought to vote against it on third reading. If he was able to convince me that I ought to vote against Bill C-181 on third reading, I do not understand why he did not convince himself to do the same.

Some hon. Members: Hear, hear.

Mr. Rose: This is the part of his position that I find particularly difficult to understand. It seems to me that the Conservative party in this whole issue has been attempting to ride two horses.

Mr. Paproski: Leave the Conservatives out of this.

Mr. Rose: Mr. Speaker, at least one Conservative has been left out. He has just walked out. In that party's attempt to ride two horses—

Mr. Paproski: I am back again.

Mr. Rose: —that party may have fallen between them.

An hon. Member: Not the hon. member who has just returned.

Mr. Rose: I was not referring particularly to the hon. member for Edmonton West who has just returned.

Mr. Paproski: Mr. Speaker, on a point of privilege, my constituency is Edmonton Centre.

Mr. Alexander: I wish the hon. member who has the floor would tell us what his party intends to do.

Mr. Rose: I am pleased that the hon. member for Edmonton Centre, who fell between two stools, was kind enough to identify himself just now.

An hon. Member: Surely, he would not fall between two stools.

Mr. Rose: I suggest to the hon. member for Edmonton centre in all sincerity that we are all big enough to tolerate having some fun poked at us once in a while. I am sorry that, despite all his fine words, despite all his fine arguments and despite his real and sincere concern, the Leader of the Opposition stated publicly, before the House had embarked very far on the third reading debate, that he would support the government on Bill C-181. I feel sorry, because I feel he has closed off his options. Because the minister knew that he could count on the support of a substantial portion of the House, he was probably less willing to accept amendments on third reading. In other words, I feel that the options of the party headed by the Leader of the Opposition have been closed in this way. I think the minister certainly would have been more convinced by the kind of sincerity expressed by people such as the Conservative justice critic from Calgary North if he had not been absolutely and positively assured of support on third reading.

I feel, too, that many members of the hon. gentleman's party will vote in favour of the bill on third reading, regardless of their particular convictions on it, because they will legally want to follow their leader. I regret that they have been put in this position.

Mr. Alexander: Do not go too far, now.

Mr. Rose: I say this in all sincerity. Many rumours have come out of the rumour mill that the FLQ has infiltrated into various agencies of government and various institutions. The Minister of Regional Economic Expansion (Mr. Marchand) told us in the House that we have no idea of the extent of such infiltration.

Mr. Peters: Neither has he.

Mr. Rose: I ask, what federal agencies have been infiltrated by the FLQ?

An hon. Member: The government cannot answer that.

An hon. Member: The CYC was.

Mr. Rose: What does the government plan to do about this alleged infiltration? How many federal employees have been fired because it is alleged they infiltrated from the FLQ? Or is all this talk really scuttlebutt and part of the general picture of crisis that the government has been attempting to portray for the past month? How bad is the situation? Let the government come clean and tell us. In the meantime what we are debating at present is a motion that may lead to the establishment of a review board.

[Mr. Paproski.]

May I conclude by saying that I support such a concept. Many other Canadians support it. I think the House ought to try to establish something to meet this need.

Mr. Hogarth: Mr. Speaker, will the hon. member permit a question? Can he tell me of any instance in which the criminal law is administered by the federal government in a province without the consent of the attorney general of that province?

Mr. Alexander: Take that question as notice.

Mr. Rose: Mr. Speaker, I will be pleased to look into that matter for the hon. member and have a reply as soon as possible.

Mr. Alexander: That is the sort of answer they give us all the time.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The hon. member sounded just like a Parliamentary Secretary.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I had been hoping that perhaps the debate on this amendment might be concluded rapidly and that we could vote on it. I see that a number of hon. members are ready to speak on it. I shall, therefore, make a few remarks at this time and give the House my reasons for supporting this amendment which seeks to establish a review procedure applicable to those people who would be held under this bill. This is the first and last time I shall speak on this bill, and I should like to give a brief background of the reasons that led me to my conclusions.

The national pride of Canadians has been severely hurt by recent events. We had always felt that we are above and free from those ills that have beset others, particularly ills such as political kidnapping and assassination. As a result, the majority of Canadians reacted angrily and violently to the recent outrages. They are prepared to support almost any measures that look as if they will prevent this sort of thing from recurring. I believe it is only because Canadians are in this state at this time that they and their government would consider the introduction of a piece of repressive legislation of this kind, without including in it at least the power of reviewing the situation of people who may be thrown into jail without charge, without warrant, and on the mere whim of the police. This, certainly, is not a situation of which we can be proud. Mr. Speaker, it is not easy, as many have assumed, to arouse our anger. We in this Parliament must not continue to act out of the sense of anger and shame that currently fills our country. We cannot react in the savage or violent way that individuals are free to do. We are charged with responsibility for the future.

• (4:30 p.m.)

Over the years the state has had to take the long view. It has had to avoid meeting violence with violence and has had to administer justice in the knowledge that the

state will exist long after the present people are gone and perhaps forgotten. Accepting the danger of being misunderstood, I want to deal with the present situation under this bill, a bill without a review procedure, to see what our position is at at this particular time.

Over many centuries nations have learned that there must be a continuous, strong and well understood set of laws which are enforced in a firm and understandable manner if there is to be public order and respect for the law. When laws are unreasonable or poorly enforced, respect for the law disintegrates and public order breaks down. Furthermore, we have learned from many sad examples that releasing power to a government or head of a government in a crisis is almost as dangerous an aberration as convicting several innocent persons in order to catch one guilty person. The powers to act without review in such a situation are even worse.

What has happened during the past six weeks as a result of the government's action? I believe they have polarized positions in the province of Quebec, leaving no place for the moderate who might possibly have got us through the dangerous and difficult days. The Prime Minister (Mr. Trudeau) has gone out of his way to attack those who oppose his policy in this particular instance in an effort to discredit them politically. I am not talking about the FLQ. I am talking about those who favour peaceful evolution in this country.

The government has created a state of fear, hatred and anger in this country which we all love so much. People are now buying out the gunshops for their own protection. This situation is self-escalating. The government should try to cool down the national anger and lessen the use of emergency and repressive laws, rather than building them up. In introducing the legislation now before us, the government has now expended the whole residue of available federal power; first, by calling out the troops; second, by proclaiming the War Measures Act and, finally, by the introduction of the temporary measures bill. What is left if we have a real national emergency or insurrection? The federal government has nothing left. When there is no power to review arrests, there is even less freedom in the country and it is more difficult to return to normal.

In English speaking Canada a backlash is growing, almost unnoticed, because of fears and hatred. I know a few people who do not like Quebec. I have been surprised and humiliated when these people have said to me that the Prime Minister is the greatest man who has ever lived. They certainly misunderstand the situation, either by intent or by mistake. As a nation, this does not lead us anywhere.

Our international image has fallen to a new low. Several members commented today on our international problem and the low regard in which we are held in other countries. We are now known as a land of insurrection, government by aid of troops and war measures. That is the picture from abroad. If the present legislation is enacted and people can be thrown into jail without charge, held without bail, with no provision for review of the situation, our international image will fall even lower.

According to many sources, Canada has passed a watershed and as a result is a changed and poorer country. When was this watershed reached? Was it reached at the time of the kidnappings of Messrs. Cross and Laporte or was it reached after the proclamation of the War Measures Act and the introduction of this legislation? We do not yet have the answer.

The economic loss in the province of Quebec will result in the federal government pumping millions of dollars into that province. The need has been created and it must be filled. Unfortunately, it will not go unnoticed in other parts of the country. It will not do anything for national unity. In the short run, because of our national humiliation and anger, this repressive measure we are now considering may receive some commendation from those who want to see a repressive government deal with that part of our society that is dangerous and non-conforming. The situation will not continue forever. Some people say that because of this situation unity is being achieved in Canada, but I believe it is unity of anger and hatred, not love or compassion and it will not survive in that form.

The emergency that was, and continues to be, escalated by the government will be escalated even more by introducing measures without review procedures in an effort to show that we are in such a desperate and dangerous situation in this country that we need measures of this repressive nature. I think this escalation of the emergency is wrong. The least we can do is to ensure that the legislation before us is something more normal than a war measure. Surely, any measure that does not have an appeal procedure is not normal. On many, many occasions we in this House have worked for appeal procedures. The minister introduced legislation to establish federal courts which essentially are a great series of appeal courts from all boards and tribunals. Now these are appeals from decisions made in offices concerning matters which many people believe to be inconsequential. Yet we pile on provision for appeal after appeal. And I have no objection; I think it is right. But when we come to a matter affecting fundamental freedoms the government declines to bring in a normal appeal provision, in an attempt to give the impression that the emergency is greater than it really is. In my opinion, the emergency has been escalated to an abnormal degree.

• (4:40 p.m.)

To indicate exactly what I am trying to say I should like to turn to the poll which was run by CTV and released a week ago Sunday. Some of my Liberal friends—and I have some—take great comfort from this poll.

An hon. Member: You might have a lot of them, but you are losing some now.

Mr. Aiken: I don't mind losing a few. I hope the hon. member for Bruce (Mr. Whicher) did not identify himself as one. Supporters of the government are saying "See, we were right in everything we did; look at this poll; we are in tune with the mood of the people; the Prime Minister is a great statesman." I want to say that the government has created the mood of the people, and if that mood is really reflected in the poll we are really in trouble in this country. I believe that far from being a great statesman the Prime Minister has created a state of mind from which it will take years to recover. What do Canadians want, now that their baser instincts have been encouraged? They want student activists, hippies, labour militants, communists, women's liberation groups sent to gaol and stifled; they want censorship of the press and imposition of the death penalty for a host of new crimes, and Heaven knows what else.

An hon. Member: That came from Jack Horner.

Mr. Aiken: Is this something of which a so-called Liberal government could be proud? I am a Conservative, and I think it is tragic. It might be said that this was all brought on by the FLQ, not by the government. I deny this. The potential was there. There has been a growing reaction to the government's careless attitude toward the immigration of people with criminal records and its failure to enforce the law. There was an exchange a few minutes ago—it was out of order—involving everything that has happened in connection with the FLQ since 1963. The concern of the government was not very evident during those seven years, and we cannot say there was no violence. The hon. member who spoke before the last hon. member set out to prove that there had been FLQ violence over the last seven years. I say it was the government's panicky and fearful reaction to the situation in the City of Montreal which brought us to the difficulty we face today. We are now considering legislation which should not be found in any free country even in wartime, legislation under which people do not have the right to be represented or to have their cases looked into, legislation under which there is no recourse to appeal from the actions of police.

Even if the War Measures Act were the only tool available to the Montreal police in hunting the criminals responsible for the kidnappers of Mr. Cross and Mr. Laporte, even if its invocation was necessary, it should have been the objective of the government to abandon this extraordinary measure as quickly as possible and to take steps toward reestablishing normalcy. Even if the bill before us has to be passed—and there is some doubt about that—surely it should be our aim to approve a law as close to normalcy as possible. To leave this measure as it is merely advertises to the world that we are still in a state where insurrection is apprehended. This is where the government has taken the wrong course.

Like a good many other members, I feel trapped in voting on the War Measures Act and on this bill, because there is no doubt some need for continuing supervision of the explosive situation in Montreal. That need exists. But I blame the government for what it has done in connection with hundreds of ancillary matters—for statements such as that made by the Minister of Regional Economic Expansion (Mr. Marchand) that thousands of subversive people had infiltrated the civil service and that many of them held high rank in government employment. Dozens of other things were said and done in order to build up the situation in justification of the government's action.

In my view a more statesmanlike course would have been to cool off the situation and let the international community feel that at least we were masters in our own house and knew what we were doing. I believe the government has maintained a state of emergency either to justify its original action or because of a belief that there is still some danger.

Mr. Speaker, there is always danger. There is no way known to man to prevent murder or assassination. The only defence lies in removing the will to commit these crimes while maintaining ordinary prudence. Has this been accomplished in Canada during the last few weeks? I say it has not. There are many more dangerous mental psychopaths, sex criminals and potential murderers walking the streets than there are revolutionaries in hiding or in gaols. The average citizen is forced to take his chances with these maniacs. There are lots of them. There is an average of one murder every day in Canada—the figures show something like 364 reported murders a year on an average, although the murderers are not always convicted. There is one kidnapping, on an average, every week—in the neighbourhood of 67 charges of kidnapping are laid each year and convictions are secured at the rate of almost one a week. So we have one murder every day and one kidnapping every week.

Mr. Cross is entitled to special consideration. Mr. Laporte, we weep for. We do not know yet what happened to him. We hope we shall know. But with all this in the background, let us keep our perspective. Two mounted policemen were murdered in Saskatchewan in the course of their duties. Is this any less the concern of the Canadian people? I say that we will have freedom in our streets when law and order are established, but not so long as we have repressive measures. This is not law and order at all, and a lot of people are making this mistake today. I say clearly that those who say that we now have law and order are wrong. We have the opposite of law and order; we have repression. Law and order is respect for the law, and the maintenance of that respect.

• (4:50 p.m.)

In conclusion, may I say that this bill is directed toward maintaining or restoring law and order in Canada. Against whom is it directed? Certainly, it is not directed against the 300 people already picked up and released, nor against those now held under the War Measures Act. Certainly, it is not directed against the

kidnappers and murderers who are guilty of crimes and subject to procedures under the Criminal Code. Actually, it is directed against those shadowy, unknown figures who have been lurking in the background since this crisis began, people who have never been defined, named or found but who are the justification for a continuing state of emergency and crisis. Who are they? How many are there? Where are they? Will they ever be caught?

Do these few people—if there are any—who are still at large and cannot be charged under the Criminal Code in any way justify this bill? Even if the bill is justified, is it justified in its present terms without the normal protection of the law? I say that regardless of what we have done up to the present time, and regardless of the mistakes that have been made or the praise that has been given, it is time to get back to normal. I think we can make one move toward getting back to normal in this country by accepting the amendment that has been offered.

Mr. Steven Otto (York East): Mr. Speaker,—

Mr. Faulkner: Call it five o'clock.

Mr. Otto: With friends like that I do not need enemies. Listening to this debate over the past two weeks, it would appear that we are introducing some sort of new legislation. We have had speeches about the severity of the measure and its lack of justice as if, indeed, we were introducing some brand new law that would restrict the rights of all citizens.

I would remind this House that this is not new legislation. We have in force at the present time the War Measures Act; the purpose of this legislation is to replace that act with something less onerous, something not quite so severe, and something that will last for a specific length of time. Indeed, the time is so short that I wonder whether we will get through the bill before the expiry date of this legislation. But my point is that we are not imposing new restrictions on the Canadian people.

If members want to be honest, they would have to say: "We don't want this legisation. We want to do away with the War Measures Act. There is no crisis in Montreal or in Quebec, indeed no crisis whatever. Let the FLQ do what it likes". That is what is being said.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Come, come!

Mr. Otto: The hon. member who has just taken his seat said there was no crisis and never has been one. If hon. gentlemen believe that, let them stand up and say so. But why say that this legislation is so repressive—

Mr. Aiken: Mr. Speaker, I rise on a question of privilege.

The Acting Speaker (Mr. Laniel): Order. Is the hon. member rising on a point of privilege?

Mr. Aiken: Yes, Mr. Speaker. I hope the hon. member was listening to my speech, because I did not say that there never was a crisis.

The Acting Speaker (Mr. Laniel): Order. I wish to remind the hon. member that the point he has made is not a point of privilege but merely a point of debate. The hon. member for York East.

Mr. Otto: I will not debate the issue, Mr. Speaker. I thought I heard the hon. member say that he doubted whether there was a crisis. However, if he now says that there was and that the introduction of the War Measures Act was justified, then I am pleased to hear him say that. May I remind the members of this House that this legislation is indeed less onerous than what is in force at the present time, and no one has denied that. Neither has anyone mentioned that this legislation has a definite expiry date.

Now, I am not going to deny that there will be abuses of this legislation. There are always abuses of legislation which deprives people of their rights. That has been the history of this kind of legislation, and no one wants to use it.

The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) referred to the introduction of the War Measures Act during the last war. I bow my head in shame with him, and with all Canadians, at what we did to those Canadians of Japanese descent in British Columbia. These things happen, and as I say, I have no doubt there will be abuses of this legislation or of any legislation of this sort.

I should like to ask hon. gentlemen whether these abuses will be more onerous and harder to bear than abuses of the body—

The Acting Speaker (Mr. Laniel): Order!

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): I regret to interrupt the hon. member but it is my duty at this time, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Huron (Mr. McKinley)—national defence; the hon. member for Fraser Valley West (Mr. Rose)—air transport; the hon. member for Burnaby-Richmond-Delta (Mr. Goode)—energy, mines and resources.

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

Public Bills

PRIVATE MEMBERS' PUBLIC BILLS

SIR JOHN A. MACDONALD DAY

MEASURE TO ESTABLISH AS LEGAL HOLIDAY

Mr. Heath Macquarrie (Hillsborough) moved that Bill C-8, respecting Sir John A. Macdonald Day, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker—

Mr. Hogarth: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Laniel): Order. The hon. member for New Westminster is rising on a point of order.

Mr. Hogarth: Mr. Speaker, I am sure that the hon. member who is presenting this bill could get it to committee immediately, with the unanimous consent of the House, if he made two small amendments, namely in paragraph 1, that the act be cited as the Sir Wilfrid Laurier Day Act, and the same amendment at the bottom of paragraph 2.

• (5:00 p.m.)

The Acting Speaker (Mr. Laniel): The Chair will recognize the hon. member for Hillsborough.

Mr. Macquarrie: Mr. Speaker, unlike King Agrippa, I am not even "almost persuaded" by that interesting suggestion. I must note that this is the third time I have attempted to make it up the aisle on this, and having lost out on private members' hour before I want, in the kindest way, to suggest to my colleagues in the House that henceforth I will no longer be inhibited from protesting personally the dropping of private members' hour. In the future, when I am here during private members' hour I will want to be convinced that there is a clear and present value in cancelling private members' hour or there will be no unanimous consent coming from this member. I have watched the diminution of private members' time in the House of Commons in my long and laboured 13 years here, but I would not like any further development along these particular lines. Having said this, with all the kindness of my heart, I hope it will be borne in mind so I will not have to be an unrepentant interrupter in the future.

We Canadians, we must admit, are unfortunately not an historically minded people. In this we are unlike the Americans whom it is now again so popular to denigrate. They have, of course, their Washington's birthday, their Lincoln's birthday and so on. Since I last presented this motion we in Canada have shown our lack of historical mindedness by allowing Glensmere, the beautiful home of Sir Robert Borden, to fall before the wrecker's hammer. We can in this country celebrate St. Andrew's day, St. Patrick's day, St. George's day, St. Jean Baptiste day and even Robbie Burns day.

[The Acting Speaker (Mr. Laniel).]

John A., like Robbie Burns, was not a saint, but surely he was an essential Canadian, the father of his country. Surely, he is among the architects of confederation, the builder of a coalition government which fostered the union of the colonies. He was at all the great conferences, including the one at Charlottetown in 1864 where the whole thing was really decided.

Sir John A. was prime minister from 1867 to 1891, with a brief, inglorious interregnum from 1873 to 1878. He was a member of the legislature of the then Canada at the age of 29. He was in public life for nearly half a century. He was a consummate politician and a vigorous but not hysterical nationalist. He was interesting, colourful, engaging, a charming man, a man of gaiety and a man who was not noted as a teetotaller. He was a man of joyous nature, but for those who know of his life he was not a man unacquainted with personal sorrow. Along with the burdens of personal problems and pain, he had more than his share of public anxieties. He, too, knew insurrection and his handling of the Louis Riel crisis was not quite as easy then as it now seems to be from the comfortable hindsight of several decades. He knew the terror and anguish which comes from the assassin's bullet and his sorrow over the death of Thomas D'Arcy McGee was bitter and agonizing.

In the days before image makers, before hidden persuaders and even before Information Canada, he came through as a genuinely interesting public man, a good fellow, and we used to say that great and gay John A, until that last adjective took on a certain meaning we do not like, and a man deserving of his country's trust. The word charisma was not in vogue in the 1870's and 1880's, but this uniquely unhypocritical man, this thoroughly political person, seemed to be able to command public confidence and to engage successfully in the art of nation building. It is a part of our tepid lack of interest in our history that we do not realize how difficult was the task facing our founding fathers, nor how splendid was the achievement of those who brought this about.

Sir John A. himself declared that his greatest work was done before 1867, an interesting tribute to this earlier period. Deserving a major place in this era was the creation of the political party of which I am a member. In 1854 he set the pattern and parameters of a party, and incidentally gave it the name which it was to pick up much later. He said in 1854 "there would be a new House and new people to choose from, and our aims should be to enlarge the bounds of our party so as to embrace every person desirous of being counted as a progressive Conservative."

Although he gave little time to theory or philosophy it is clear that Macdonald wisely knew, recognized and appreciated, that political parties are in fact older than democracy and without political parties the parliamentary process does not work. Of all the qualities which made Sir John A. Macdonald a great figure, and made it possible to create and maintain a nation, I think the quality most notable was his moderation. In a country so

vast and diverse as Canada, it is the man of the middle course who will prevail. Indeed, it is men like Macdonald, and I am proud to mention Laurier, who was referred to a moment ago in a humorous way, and men like Mackenzie King who have triumphed.

Macdonald refused always to play the race or religious game. He was unwilling to be an extremist, although God knows he was tempted. I am a little concerned when I hear public men today laud the virtues of polarization, and I do not like to hear moderates decried as wishy-washy bleeding hearts. When I hear that I fear a little for the land and for the political institutions which must play a vital role in holding this land together. The greatest danger in Sir John A. Macdonald's day was polarization of different groups, and especially and very simply the group which spoke English and the group which spoke French. That is still a very great and serious danger.

Old tomorrow, the great compromiser, the driver of a six horse team, as Professor Lower called him, saw the essential virtue in reaching consensus but not encouraging confrontation. Heaven knows, he was often tempted to assume the brittle and immediately satisfying role of a sharp protagonist. But like Edmund Burke he knew, and knowing he cherished the value of compromise. It was Burke who said that "all government and indeed every human benefit and enjoyment, every virtue and every prudent act is founded on compromise and barter." The word "compromise" is another one of which we have lost the meaning, as we think now in terms of the habits of a loose female.

So today, as I have before, I ask that we look upon this our founding father and set aside one day—not a day that usually comes on the weekend, nor a summer celebration because summer is more pleasant, but a day of historical significance, the birth of the father of this country, the chief architect of confederation. I ask in the words of Ecclesiasticus "let us now praise famous men and our fathers that begat us." I think we should do this for our political fathers as well. I want my friend across the way to know that as soon as the committee reports on this bill and it becomes law I will join vigorously with him in getting a Laurier day, too. This is not a compromise or a barter, this is a fair declaration of intent.

I am pleased, sir, that something has been done in the country. I had the pleasure of being in Kingston last June on the anniversary of Sir John's death. It was a splendid ceremony arranged by the Progressive Conservative party. I also visited the home where Sir John A. lived. It is a fine, national institution well maintained under the direction of a very able, sensitive and understanding curator. This is one thing for which the present government deserves credit. Not just Kingston should honour Sir John A. Macdonald. He was the hon. member for Kingston, of course, but he was the father of the country.

As an additional inducement, when we set aside this day as a holiday, we shall honour some of our great contemporaries as well; the hon. member for Lafontaine (Mr. Lachance), whose birthday is January 11, the hon. member for St. John's East (Mr. McGrath), his birthday is on that day, our much-beloved whip, the hon. member for Saint John-Lancaster (Mr. Bell) who also has January 11 as his natal day. What a time we would have in this House with so many birthdays. This date is also the birthday of the premier of Ontario, Premier John Robarts, who in these last seven lean years of federalism has through his wisdom, moderation and common sense done more to hold this country together than any man in public life. Therefore, I commend to all my colleagues this suggestion which I have long advanced and which in these trying times I advocate with more feeling and fervour than ever before.

• (5:10 p.m.)

The Acting Speaker (Mr. Laniel): Is the hon. member for York East rising for the purpose of asking a question?

Mr. Otto: I am rising to ask a question, Mr. Speaker. I wonder whether the hon. member for Hillsborough would answer my question. He says that January 11 was the birth date of Sir John A. Macdonald or at least the alleged Sir John A. Macdonald. I and others understand that there is no certificate of birth or record and indeed not even a certificate of death of one called Sir John A. Macdonald.

The Acting Speaker (Mr. Laniel): Order. The Chair feels the hon. member should put his question.

Mr. Otto: The question I have just put is whether the hon. gentleman has any record to show that the man called Sir John A. Macdonald did indeed exist or was sort of a figment of mass imagination.

Mr. Macquarrie: If I may be permitted to reply, Mr. Speaker, for a moment I thought when this wavy suggestion was made that the hon. member was speaking of another prime minister who was somewhat spiritualistic. But I am confident of the existence of Sir John A. Macdonald and I am satisfied with the date of his birth. I shall try to get the appropriate documents for the hon. gentleman.

Mr. Otto: They do not exist.

Mr. Macquarrie: We are satisfied he was there.

Mr. R. Keith Penner (Thunder Bay): Mr. Speaker, I congratulate the hon. member for Hillsborough (Mr. Macquarrie) for introducing this private member's bill, C-8 which is designed to give national recognition to Sir John Alexander Macdonald, one of the most decisive figures in North American history, a man whom the Canadian author, Bruce Hutchison, has described as "a magnificent paradox—as widely known for his scandalous public conduct as for his political acumen". As is the fate with almost all private members' bills, this one will not likely become an act of Parliament. However, it

seems fitting, Mr. speaker, that a bill similar to C-8 should be introduced annually at or near the birthdate of this Father of Confederation. In this way at least once each year the House of Commons could honour Sir John A. Macdonald, and members would have the opportunity of commenting on the man, his ideas and his significant accomplishments. The federal Parliament ought regularly in some way to pay homage to this outstanding Scotsman who saw so clearly that the scattered and divided colonies of British North America had no future apart from one another. He dreamed and worked for a united Canada, a future nation with a dual society. Progress toward Macdonald's goal was slow and tortuous, but it was this cause which give meaning to his life and guaranteed him a privileged position of prominence in our history. He once said in the period before 1867:

—for twenty long years I have been dragging myself through the dreary waste of colonial politics. I thought there was no end, nothing worthy of ambition; but now I see something which is well worthy of all I have suffered in the cause of my little country. The question of "Colonial Union"... absorbs every idea as far as I am concerned.

Many members of Parliament may well envy this politician and statesman who found a genuine cause into which he could pour all his energies. The Dominion of Canada, as it was then called, was proclaimed here in Ottawa on July 1, 1867, amid cannon salutes, bonfires and orations. The new dominion included only four provinces and the boy from Kingston who had become its first prime minister knew that his nation was as yet only a structure of paper documents. Today it is much, much more than that. A man's dream and his ambition, a necessity for survival and an act of the British Parliament have together become an economic and political reality made possible by the work and sacrifice of a diverse people occupying a land with an equally diverse geography. The dry bones of history acquired sinews and muscle; life and spirit were breathed into this body politic and a new nation was created.

The story of Canada clearly reveals that we have had our times of trouble. We have experienced periods of despair and we have had our bouts of illness. Even now, the surgeon is seeking to eradicate a tumorous growth which threatens our health and perhaps even our very existence. The threat of terror and violence could lead to this nation's destruction. Sir John A. in 1865 was deeply distressed by the forces which were at work to destroy the legislative union of 1841. In the parliamentary debates of 1865, speaking on the subject of Confederation, he uttered some words which would have been most appropriate to the current crisis in Canada. He said:

This condition of things was well calculated to arouse the earnest consideration of every lover of his country, and I am happy to say it has had that effect. None were more impressed by this momentous state of affairs, and the grave apprehensions that existed of a state of anarchy destroying our credit, destroying our prosperity, destroying our progress, than were the members of this present House; and the leading statesmen on both sides seemed to have come to the common conclusion that some step must be taken to relieve the country from the deadlock and impending anarchy that hung over us.

For many, the concept of Confederation was strong medicine to cope with the crisis. Even so, for us, the measures taken to deal with terrorism have been direct and forceful. I am reminded, however, of what Albert Camus, the French novelist once wrote:

—our world has no need of lukewarm spirits. It needs ardent hearts that can place moderation in its proper perspective.

Mr. Speaker, I can readily support the principle of this bill which is to honour one of the most important architects of our federation, but I do have some reservations about declaring a national holiday for this purpose. We are fighting inflation, and another day off would decrease our productive capacity and increase costs thereby contributing to this economic malaise. Another long week end would result in additional deaths and injuries on our highways. Students would be deprived of another day in their education at a time when educators are concerned with the knowledge explosion, and at a time when legislators and the taxpayers they represent are seriously questioning both the degree of efficiency and the rising expenditures of our schools, colleges and universities.

Sir John A. worked to build a nation and that task is far from complete. It is sometimes said that today's youth lack a purpose; that they are bored with life and disillusioned with society, so many seek escape in chemical dreams which all too frequently turn out to be nightmares. If anyone needs a challenge, let him turn his eyes northward. In the region of Canada which I represent, and even further north, there is a tremendous need for trained and dedicated people with a wide variety of skills which can be used to develop our resources, to serve the needs of people and their communities, and to help in protecting and restoring the national environment. Many people coming to Canada from abroad have responded to the needs of the north, but for many of our own young people the call has either not been heard or else has gone unheeded.

• (5:20 p.m.)

Nation building is for the bold and for the committed, and in this regard Sir John A. Macdonald has a meaning and message suitable for our day and vital for our future.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to take only a few minutes to indicate my support of Bill C-8, as introduced once again this year by the hon. member for Hillsborough (Mr. Macquarrie). In his various speeches on this bill he has made it clear that it is important for us to be aware of our history and to keep its memory alive. I think that the suggestion he has made is one that should be implemented. I was glad to hear the hon. member for Thunder Bay (Mr. Penner) say that he agreed with the principle of this bill. I was sorry, however, to hear him suggest that we should confine ourselves to an annual one hour in Parliament talking about Sir John A. Macdonald. We all smiled at some of the arguments he put up as to why we should not have a holiday. May I suggest to him that thanks to the foresight of Sir John A. Macdonald, he was born in the early part of January, so we could arrange, certainly in the parts of the country from which the hon. member for Thunder Bay and I come, for a blizzard to take place

on that weekend so that the day will be one on which people stay home and think about our history and not run the risk of the dire catastrophes referred to by the speaker.

An hon. Member: You still stay here anyway.

Mr. Knowles (Winnipeg North Centre): Yes, we can stay here and have a blizzard even in this place. In fact, it might be good for us to have one here once in a while.

I hope that my hon. friend, the hon. member for Hillsborough, will not feel that I am taking some of the time in this hour simply for the purpose of giving the House some useless information, but when he was telling us about the various people who had birthdays on the same day as Sir John A. Macdonald, it led me to pursue still further some research that I was doing in the Canadian Directory of Parliament. This is a book that was published in our centennial year and gives brief biographies of all those who were Members of Parliament during the first 100 years of this nation's history. On going through the book I find that we have had in Parliament since we came into being 45 persons by the name of Macdonald, 29 of them spelled Macdonald and 16 spelled McDonald.

Mr. Stanfield: How many were spelled with a capital D and how many with a small d?

Mr. Knowles (Winnipeg North Centre): That was the kind of information that I was anxious to complete, but the way this book is set up did not accommodate me on that point. May I point out that in addition to having that number of members by the name of Macdonald we have had eleven John Macdonalds, seven John A. Macdonalds and four John Alexander Macdonalds. So, the place has been overrun. We have two right now as a matter of fact, but we will not go into their biographies at this point.

The hon. member for Thunder Bay had some doubts about having a holiday, but when you look at the total picture, it seems to me it is significant that we should honour our Macdonalds, beginning with the first one.

I wondered about some of the other famous names. I find that we have had only three Lauriers, two Bordens, four Kings, four Bennetts, two St. Laurents and three Pearsons. Thank heaven, as someone will say, we have had only one Diefenbaker and one Trudeau.

An hon. Member: How many Knowles?

Mr. Knowles (Winnipeg North Centre): Four, I believe. If hon. members are interested in this kind of research, I can pass the book around and I am sure that someone else might take away the medal for useless information.

At any rate, even though I have spoken in this light vein, the fact is that not only have we had many Macdonalds in this House of Commons but that the one whose name is mentioned in this bill today has played a significant part in the history of Canada and in the history of North America, and I believe we should honour his memory in the way suggested in this bill.

Some hon. Members: Hear, hear.

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): I would like to make a few comments on this bill. I was interested in the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles). That was one of the most interesting speeches and useful contribution of information that he has made in the House in a long time. I am sorry that the hon. member for St. John's East (Mr. McGrath) called for the question when he saw me rise because I was impressed by the argument adduced by the hon. member for Hillsborough (Mr. Macquarrie) that in view of the fact we are not dealing with one birthday but a variety of birthdays, and among them are included the birthday of the hon. member for Saint John-Lancaster (Mr. Bell) and the hon. member for St. John's East, it makes the over-all proposition more compelling than it was before.

I might start by paying tribute to the hon. member for Hillsborough. If one looked objectively around the House for a suitable apologist for Sir John A. Macdonald one would be hard pressed to improve upon the happy choice of circumstances which have led to the hon. member for Hillsborough being the apologist that we have.

Mr. Stanfield: You mean eulogist.

Mr. Faulkner: Eulogist or apologist. Not only has he, to many of us, embodied some of the finer qualities that we associate with Sir John A. Macdonald in his own presence, but also he demonstrates those qualities of moderation to which he referred and qualities of middle of the road moderation, as he described it, plus the jovial, erudite and good natured exterior which makes the total man so attractive. I also admire his persistence, because I do not know if all members of the House are aware of the fact that this is not the first time the hon. member for Hillsborough has introduced a bill to create a Sir John A. Macdonald day and if my instinct is correct it will probably not be the last. He has done it over a period of years, and prior to his efforts there were other members who have done the same.

In an effort to brief myself on the complete significance of the debate in which I intended to participate I reviewed previous debates. It seems to me that one of the problems which has persistently hampered his efforts is that this is a popular measure and there have constantly been more people interested and talking about it than there was available time.

I reviewed the speeches back in 1964. The hon. member attracted some very strong support in favour of his efforts. At that time the hon. member for Renfrew North, the present Minister of Energy, Mines and Resources (Mr. Greene) spoke on the subject. That is an interesting speech for private members to read because it gives new members an idea of how private members' hour can be used to discuss a variety of subjects, not necessarily the

subject immediately before the chamber. In fact, reading the remarks of the then hon. member for Renfew North I was not sure whether he was speaking about Sir John A. Macdonald Day or St. Patrick's Day. In the course of developing his argument he quoted a wide variety of historical sources from Pliny the Younger to Henry Ford, who described history as bunk.

• (5:30 p.m.)

Not only did we have speeches from the hon. member for Renfrew North, who is the present Minister of Energy, Mines and Resources, but also from a gentleman who is now Premier of Nova Scotia. Reading his remarks it is difficult to know whether he was more enamoured by the concept of Sir John A. Macdonald or Joseph Howe. It was an interesting debate in so far as it revealed a great deal about private members' hour.

The idea of a national day for Sir John A. Macdonald creates a number of interesting questions, Mr. Speaker, but I do not intend to deal with them all. Aside from the merits of the man himself and his particular and unique position in Canadian history, one of the really compelling arguments is the broader idea of recognizing in a suitable way those Canadians who have made a remarkable and unique contribution to our history.

As a part-time teacher, one of the things that I find depressing about our situation in Canada is not so much the absence of heroes but that we do not seem to know very much about any Canadians who have made a contribution. This is probably as much the fault of our publishing industry, boards of education, departments of education or to the shortage of interested and creative authors, as anything. The fact remains, however, that Canadians generally are not too conscious of figures of historical importance. What is worse, they are not aware of the rather unique qualities of the Canadian historical process, not just the evolutionary constitutional process which is dealt with in university courses but some of the very particular qualities of our history. I do not think it is possible to overcome this by agreeing to a Sir John A. Macdonald Day. As we have already noticed, there would be a variety of claims from different members of this House for other heroes who more closely reflect different political affiliations. I am sure J. S. Woodsworth might have some support in the House, as certainly would Sir Wilfrid Laurier and some others.

In discussing the merits of this particular case we expose a real problem within our country that in our schools, universities and the population at large there is an appalling ignorance of our history, of our antecedents and of the process that led to the development of our country. It may not be argument sufficient to justify Sir John A. Macdonald Day, but it is sufficient for everybody to examine what is going on in the country and ensure that something be done not in a chauvinistic way but in a rational and broad minded way to overcome this deficiency. It could instil in Canadians an understanding and appreciation for the history of their country and in particular for the people who made the important decisions at various times in its development.

[Mr. Faulkner.]

Mr. Speaker, when I started making a few notes for this debate today, having lost the notes I had prepared for the three previous aborted sessions we had, I sent to the reference library for some material.

Mr. Stanfield: What about Information Canada?

Mr. Faulkner: As I understand it, Mr. Speaker, Information Canada is not dealing essentially with Sir John A. Macdonald.

Mr. Knowles (Winnipeg North Centre): They will tell you about Laurier and Trudeau.

Mr. Faulkner: I was going to add that, but I thought it had better come from the hon. member for Winnipeg North Centre (Mr. Knowles). One of the documents the library sent me is very interesting. It is entitled "The Dominion Campaign! Sir John Macdonald on the questions at issue before the people. The Premier's great speech before the workingmen of Toronto." Inside is the title "A brilliant review of the vital issues of the present Campaign." I am not sure who published it, but I could hazard a guess.

Mr. Knowles (Winnipeg North Centre): Information Canada!

Mr. Faulkner: What is particularly interesting about this speech is the first two pages. Unlike the speeches today, in that day they used to add the audience response to the remarks made by the speaker.

Some hon. Members: Hear, hear!

Mr. Faulkner: We are probably just as lucky that it is not done, today, but in Sir John A's day there was no risk apparently. In the first page he has one "loud laughter", one "loud cheers", one "laughter", one "cheers and laughter", one "renewed laughter" and one "great cheering". On the second page he has one "hear, hear and applause", five "cheers", one "loud cheers" and two "applause".

This occurs throughout the speech, Mr. Speaker, and is characteristic of the quality of the speech. But one thing I ran across is a familiar argument to people in public life. He was explaining his record to the workingmen of Toronto and was caught in the ambivalent position of all politicians in power, that of trying to claim credit for great achievement and explaining away those areas where there was not achievement. He said: Why then, I ask, has not more been done?

Three years is a short time, but in three years much has been done.

Mr. Speaker, the argument will come as a surprise to you. It was:

Because we have had an unscrupulous opposition; because we have had an unpatriotic opposition.

It was as it says, Mr. Speaker, "A brilliant review of the vital issues of the present campaign," but it reminded me very much of political speeches I have heard in more recent times.

Mr. Knowles (Winnipeg North Centre): In Peterborough?

Mr. Faulkner: Never in Peterborough.

There are two particular points to be considered in dealing with this man. If you read this material about Sir John A. Macdonald and read some of his speeches, one of the facts that impresses itself upon you is the extraordinary relevance of what he said at that time to the situation today, particularly in two areas that have been alluded to. One is that he was a nationalist, and the other is that he understood the rights of the minority as few Canadians have done. He understood the significance of language rights. If we had only had the wisdom as a people to follow the advice of Sir John A. Macdonald on language rights and minority rights, we would have largely eliminated the problems we face in this country today.

Some hon. Members: Hear, hear!

Mr. Faulkner: I should like to turn briefly to his record as a nationalist and the relevance of that today. One authority on Sir John A. Macdonald, of course, is the right hon. member for Prince Albert (Mr. Diefenbaker). In the debates of January 11, 1967, commemorating the 152nd anniversary of the birthday of Sir John A. Macdonald, the right hon. member for Prince Albert said:

> —his principle for Canada, that it must be an independent nation on the north half of the North American continent willing to co-operate in freedom but insisting on the right that policies for Canada be made by Canadians. That was his contribution.

Mr. Speaker, that has extraordinary relevance to Canada and to Canadians today. He rejected the liberal option of that day of free trade. In many ways that option could be viewed, to use modern language, as the continentalist option today. He rejected it then, and many of us who are looking at a similar proposition in contemporary terms are wondering if we should not be equally vigilant against the continentalist option. For that reason Sir John A. Macdonald's relevance today is undisputed.

• (5:40 p.m.)

I read an article in *Maclean's* about the formation of a committee for an independent Canada. I suggest that if Sir John A. Macdonald were alive today, he would be a charter member of the committee for an independent Canada. As one reviews the eight-point program of that group it becomes clear that the nationalist position has as much relevance today as the nationalist policy had in 1878 and in subsequent elections. I will not go into the program of the committee for an independent Canada.

Mr. McGrath: Please do.

Mr. Faulkner: Those who are concerned about the classic problem of Canadian national identity and Canadian policy could well review this program in light of some of the advice given by Sir John A. Macdonald.

I should like to make another point which deals with the other element of his policy. This, too, is extremely relevant to our scene today. I am speaking of his policy in the area of language rights. He made a great speech on February 17, 1890, in which he dealt with language rights in the Northwest Territories. The hon. member for Hillsborough (Mr. Macquarrie) pointed out very ably the circumstances in which he made the speech. Considering the prevailing degree of religious bigotry that characterized not only this country but other countries, the degree of distrust that characterized relations between language groups and religious groups in this country, when Sir John spoke in this area, and particularly when he spoke in a way that had a particular affect on his following within his own party, he acted with extraordinary wisdom and courage. As I said before, if we had only had the wisdom to follow the example of Sir John A. Macdonald on this delicate question throughout our history, many of the problems that plague us today would not exist. In his speech on February 17, 1890, he said:

> I have no accord with the desire expressed in some quarters that by any mode whatever there should be an attempt made to oppress the one language or to render it inferior to the other; I believe that would be impossible if it were tried, and it would be foolish and wicked if it were possible. The statement that has been made so often that this is a conquered country is *à propos de rien*. Whether it was conquered or ceded, we have a constitution now under which all British subjects are in a position of absolute equality, having equal rights of every kind—of language, of religion, of property and of person.

If we had had the wisdom to follow the principle of the first, second and fourth points, our history until 1970 might have been somewhat different and, hopefully, somewhat happier. Throughout the speech—and it is a speech of wisdom and courage—he asks: Why is language so important to individuals? Halfway through the speech he says:

> Why, Mr. Speaker, if there is one act of oppression more than another which would come home to a man's breast, it is that he should be deprived of the consolation of hearing and speaking and reading the language that his mother taught him. It is cruel. It is seething the kid in its mother's milk. The greatest, perhaps, of all the objections to this measure is that it is a futile measure. It will not succeed.

He understood precisely the significance of language for our people. Our failure in part to understand this has puzzled me in the debate we have had in recent years on language rights. I happen to be one whose mother tongue is the tongue of the majority in this country, if one likes to put it that way; yet I know the umbrage and strength of feeling I would bring to bear if I were in the minority position and my right to use the language in which I had been raised, which embodies the heritage of which I am proud, were interfered with in any way. My feelings would be as strong as the feelings of the people wo are in the minority position.

Sir John A. Macdonald had the wisdom to see the importance of the question and to see its relevance to our

confederation. He had the courage to pursue a principle that was unpopular in its day but is tremendously relevant to our history. That is all I wish to say, Mr. Speaker. I have enjoyed participating in this debate. Since there are others who wish to speak, I shall take my seat. I end by saying that in the areas of nationalism and language rights, Sir John A. Macdonald is as relevant today as he was more than 100 years ago.

Mr. Bell: Mr. Speaker, would the hon. member permit a question?

Mr. Deputy Speaker: I must advise the House that the Parliamentary Secretary's time has expired and he would need unanimous consent in order to answer the question. Is that agreed?

Some hon. Members: Agreed.

Mr. Bell: Mr. Speaker, the Parliamentary Secretary mentioned in a very serious and proper way what Sir John A. Macdonald had done for us with respect to unity and language. Does he not also agree that if we had followed his advice in other respects there would be no Grits or teetotallers in this country today?

An hon. Member: I will drink to that.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I think Sir John A. Macdonald would have appreciated thoroughly the flavour of this debate. He would have said, "Oh, well, it is almost six o'clock and this measure has not passed. Perhaps it will pass some other time—hopefully, tomorrow."

I am pleased to second the continuing effort of the hon. member for Hillsborough (Mr. Macquarrie) to pay tribute to Sir John and his attempt to allow all Canadians to pay tribute to the man who put Canada together. I, too, had the pleasure of going to Kingston and taking part in the ceremony performed each year by the Kingston Progressive Conservative Association to do honour to Sir John A. Macdonald. I think even hard-shelled Grits could gain something from making a pilgrimage to that city. They have there a fantastic graveyard, and if we must go to one, and we all shall one day, we might as well go to one as fine as that. The ceremony is sincerely staged by the Conservative Association with the help of cadets wearing uniforms of former times.

Then, of course, there are the speeches—one was made this year by my hon. friend from Hillsborough and one was made last year by myself—that go back a considerable time. I suggest that the Grits could very usefully see our ceremony and hear us pay tribute to Sir John and, in return, we would be glad to attend their ceremony when they pay their annual respects to Sir Wilfrid Laurier. We would be glad to accompany them at that time.

I think one of the most moving experiences I had during the 1967 centennial celebrations was seeing costumed actors of Canada visit Halifax and play the roles of the Fathers of Confederation. The man who played Sir John A. Macdonald was Robert Christie. It so happens, I think, that Mr. Christie is a teetotaller or as near a teetotaller as one can imagine, if one can imagine such a state.

Mr. McGrath: I can't imagine it.

Mr. McCleave: The man who played George Brown, another great figure of that time, I will not name. George Brown, as everyone knows, was the founder of the *Globe and Mail* and, as one can imagine, he had no use for booze whatsoever. The actor who played him had a great deal of use for booze. Therefore, the teetotaller was playing Sir John A. Macdonald and the tippler was playing the part of George Brown. It added a certain merriment to the evening when these "Fathers of Confederation" sat down with the citizens of our day. I recall it because Christie did a very good job of playing the part of Sir John A. Macdonald. That Halifax audience responded in a way in which I have rarely seen an audience respond to an actor. Their attention was riveted on Robert Christie. If he did epitomize Sir John A. Macdonald, one could imagine the magic hold that Sir John A. had on people. I understand that Mr. Christie spent a considerable amount of time learning Sir John A's mannerisms. Therefore, he may be the nearest that any of us will ever see approaching the mannerisms of Sir John A. I was tremendously impressed.

• (5:50 p.m.)

I support the efforts of my hon. friend. Anyone who has visited the office of the hon. member for Hillsborough, one of the original settlers in the West Block, will have noticed a plaque on his wall from one of the early election campaigns. It is a picture of Sir John A. Macdonald leading the successful Conservative party with the words, "The old flag; the old policy; the old leader". In 100 years people have gone from the belief in established things to the point where in the last election the successful party brought someone in from virtually under the rug, one who probably was not known to most Canadians. It is an interesting reflection on how political techniques have changed. In past years people voted for something in which they believed; now they will accept almost anything born in the age of advertising, any charismatic promise. I will not get into a discussion on advertising. I will do that when the Minister of Consumer and Corporate Affairs (Mr. Basford) introduces his bill in that regard.

I vigorously support the bill of the hon. member for Hillsborough. It may be all very well for each party to espouse its own heroes but with this bill we are doing more than just paying tribute to Sir John A. Macdonald, the greatest Conservative of all. We are asking Parliament to recognize the fact that confederation, the union of provinces from the Atlantic to the Pacific, is really his handiwork. Oddly enough, at one stage of his career Sir John A. had no use for the concept of confederation. He then saw it as the means of solving the great instability between the quarrelsome Canadians in Quebec and Ontario. Once he set his foot on the path toward confederation, he used his skills and ability to bring it about.

Great persons such as George Brown were associated with him in that endeavour. I am sure that historians in this House, including the hon. member for Hillsborough, will agree that if Sir John A. had not set the course for confederation it would not have been accomplished, or would have come about in a vastly different form. Such was his ability to deal with people. Above all, he was a master at dealing with people. Long nights spent sitting around tables with the conversation flowing as freely as the wine may have been responsible; I do not know. Sir John A. was not a great orator. I understand that his speaking technique was to stand, more or less turn his back on the opposition and speak in somewhat confidential voice to his followers, urging them to support some sensible measure which he was introducing.

I hope we will not be waylaid into choosing heroes of the various parties, laudable though that may be. What we are now discussing is paying tribute to the one person who created confederation.

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, in light of the Conservatives' singular lack of success in recent elections, I suppose it is appropriate that the day which they celebrate each year should take place in a graveyard. I in part support the principle of this bill, but I would have been happier if it had been founded upon the premise of a Prime Minister's Day rather than a Sir John A. Macdonald Day.

I have done some reading and research concerning Sir John A. Macdonald. I feel if this suggestion had been made to him personally, his answer would have been decisive, abrupt, eloquent, clear, rude and it probably would have been "No". I think Sir John A. Macdonald would be more pleased that we have seen fit to name an icebreaker after him, in keeping with the independent and pioneering spirit of this man.

If this bill had suggested a Prime Minister's Day, tribute could have been paid to the former member for Lambton West, the Hon. Alexander Mackenzie. We recognize that a politician who beats another politician deserves some credit and it should not be forgotten that Sir Alexander Mackenzie did, in fact, defeat Sir John A. Macdonald.

Mr. Deputy Speaker: Order, please. The hour appointed for the consideration of private members' business having expired, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

PUBLIC ORDER (TEMPORARY MEASURES) ACT, 1970

PROVISION OF EMERGENCY POWERS FOR PRESERVATION OF PUBLIC ORDER

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-181, to provide temporary emergency powers for the preservation of public order in Canada, be read the third time and do pass.

And the amendment thereto of Mr. Douglas (Nanaimo-Cowichan-The Islands).

Mr. Steven Otto (York East): Mr. Speaker, before five o'clock I was indicating to the House that the bill we are discussing is not, in a sense, a new bill or some strange measure introduced for the first time, but a bill to replace the War Measures Act presently in force. I was dealing with the question of possible abuse raised by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). It is true there are bound to be abuses and that some people will be arrested who should not have been arrested. The question we have to decide is what type of abuse there is to be. In the absence of a bill of this type there will be abuses by the FLQ, because this is what Bill C-181 is about: it is not legislation in a vacuum; it deals with a specific problem. I am sure there is a problem in Quebec, and it is one which arises because of the FLQ. The hon. member for Egmont (Mr. MacDonald) and the other hon. member who spoke from the Conservative side of the House made certain remarks about the merging of separatists with the FLQ. Let me remind hon. members that the aim is still separatism; what we object to are the means by which to bring about separatism.

The amendment seeks the provision of some sort of safeguard, one which would amount, I suggest, to a pre-trial trial. Hon. members with legal training on both sides of the House will know that one thing the common law does not tolerate in criminal matters is a trial before a trial. The speeches made before the amendment was moved indicated there should be some body, some committee, which would investigate not only the condition of prisoners, whether they had been given an opportunity to get in touch with their relatives and solicitors, but also to find out whether or not they should have been arrested. But how would the committee, or commission, find this out? By guesswork? Prisoners do not wear labels on their coats.

The only way to find out would be by investigation and getting evidence. However, evidence obtained in this way would not be in the purview of a court. Let us say the committee decided that a person under detention had been properly arrested. What bearing would this have on his subsequent trial? A committee would already have reached the conclusion that he ought to have been arrested and, as I say, it is one of the principles of our law that a person to be tried should be tried in the courts where he has an opportunity to examine witnesses and bring forward evidence. I should like the hon. member for Nanaimo-Cowichan-The Islands to tell me how this committee or board would do its work without getting into a pre-trial trial which is obnoxious to our system of law.

Mr. Lewis: It is obvious, when you think about it.

Mr. Otto: The hon. member for York South (Mr. Lewis) will have an opportunity to let us know how this is to be done. I have heard these points of view expressed over and over again. There are some, Mr. Speaker, who

think they have a monopoly of conscience, a monopoly of concern for the rights of citizens. They do not. We are all seriously concerned with this aspect of the bill. I am sure the Prime Minister (Mr. Trudeau) struggles with the thought that after 800 years of striving for civil liberty, the rights of citizens are being placed in jeopardy for a short time. But we have to make up our minds. Shall we allow a party or group to use bombs, violence and kidnapping to attain a certain end, an end which would obviously mean the destruction of Canada, or should we use every means at our disposal to prevent this happening?

We on this side have thought this out. We, too, have struggled with our consciences and we have concluded there is only one way to deal with the situation, and that is to make illegal the fraternity or group of people who are dedicated to the overthrow of this nation by threats and by violence. I would not have supported this bill if it concerned merely an attack on property rights or something of that nature. But something else is involved. The obvious purpose, and the only purpose of the FLQ is to achieve an end which is the destruction of Canada as we know it by using ways and means which we consider obnoxious and dangerous.

I urge all members of the House, if they cannot accept this bill, to say so and vote against it. Let them not delay it, though, and allow the War Measures Act to remain in force while they continue to expound the same points. I do not for one minute suggest that anyone in this House or on the other side is trying to delay the passage of this measure for a political purpose; I believe legislation of this nature is too serious for that. Everybody here is wrestling with his conscience in an attempt to decide whether or not to support the bill. Surely, though, an answer must come one way or another and we must take our stand and determine whether or not the FLQ shall be allowed to use the methods it has used in the past, or whether we should say: No, we cannot allow the destruction of this nation by violence, threats, kidnapping and murder.

• (8:10 p.m.)

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, the amendment currently under study reads as follows:

That Bill C-181 be not now read a third time, but that it be referred back to the Committee of the Whole House for the purpose of reconsidering clause 12 with a view to the inclusion therein of a provision for the establishment of an independent body to review the administration under the said bill.

Mr. Speaker, I am in favour of this amendment which provides for the establishment of such a body for three reasons. First of all, we are all human beings and for that reason we may all make mistakes, whatever our chosen field of endeavour. Secondly, owing to the nature of their work, policemen are more liable to make mistakes than other people. Their having to work fast makes them all the more liable and the fact that we live in a bilingual country does not make their work any easier.

We all remember the case of the minister from British Columbia who was arrested in Quebec City last spring and put in jail simply because the officers who arrested him could not speak English. They did not understand him when he explained.

I myself speak only French, and on two occasions in one week I had troubles with the police, because Ottawa police officers, who spoke only English, pressed two charges against me.

Unfortunately, policemen work under a system of quotas, that is, in order to get promotions, they must make a certain number of arrests.

So, if a policeman wants to be honest, and only arrests true culprits, he may very well never reach a senior position. So, to gain promotion some of them take awful chances and I repeat, that is exactly what they did to me twice in the course of a single week.

The first chance they took on March 28, 1969. It was a Friday evening and I was driving to Quebec City. At ten after six, I was ordered to stop in the outskirts of the town of Alfred, on Highway 17, and charged with driving without having my headlights on. The sun had set at five after six. Charged for the fun of it, I was convicted by mistake. The hon. member for Champlain (Mr. Matte), who had witnessed this incident simply said it was ridiculous. Being a little fluent in English, he asked to meet one of the superior officers in charge of the stupid fellow who had stopped me. The hon. member for Champlain was granted the interview. He asked the sergeant: "Will you please tell me what is going on? Why this stupid handing out of tickets? Has there been a violation and, if so, why convict people that fast? Would it not be possible to warn people when they commit the first offence?"

I felt relieved when the sergeant said that the policeman had been extravagant and that there had been no traffic violation. He asked the member for Champlain to urge me to return the copy of my ticket. The following week I received a request for payment from the Magistrate's Court of the province of Ontario. Again I was guilty and I had to pay. Once more I asked the hon. member for Champlain to plead for me. Therefore the member wrote to Sergeant Washburn of the Ontario Provincial Police, and I quote:

Sir: In spite of the clear agreement reached during our meeting, Mr. Godin has nevertheless received a request for payment from the Magistrate's Court.

I would ask for immediate correction of this embroglio.

Trusting that you will give this request your attention, I remain, René Matte, M.P. for Champlain.

And the letter was dated May 14, 1969. Then, on May 16, 1969, the hon. representative for Champlain, received from the Provincial Police a letter worded as follows:

Dear Sir: Further to your letter of the 14th, this is to inform you that an error has been made in Magistrate's Court, L'Orignal, Ontario, in connection with the notice of payment sent to Mr. Roland Godin, indicating that he had been found guilty and was to pay a fine and costs. This was a mistake on the part of the court clerk.

A letter will reach Mr. Godin in the near future from the Magistrate's Court, explaining that the notice of payment was sent to him in error.

I regret any inconvenience this may have caused you and rest assured that all necessary steps will be taken to remedy this.

With best regards, I am,

Yours very truly,
D. F. Washburn,
Sergeant, No. 1588

Therefore, Mr. Speaker, I had been arrested for the fun of it and condemned by mistake.

I would not say all officers are stupid, but even if there were only 5 per cent of them, the establishment of an independent body as is now proposed would really be essential for the protection of the public.

The third reason why I support this amendment, is that I am a Quebecer and, as a matter of fact, because Quebecers do not hold the Bar and the Bench in very high esteem. On March 9, 1970, one could read on the front page of the Quebec newspaper *Le Soleil* the following, and I quote:

The Quebec people have no great regard for the Bar and the Bench, according to the findings of three public opinion polls published today in Montreal.

These polls were taken at the request of the Royal Commission on the administration of penal and criminal law presided over by the Assistant Chief Justice of the Court of Social Welfare, the Hon. Yves Prevost.

Two of them were conducted by a group of researchers under Professor Denis Szabo, head of the Department of Criminology at the University of Montreal, and the third was effected under the guidance of Professor André Normandeau.

Like the people of the province, criminologists were consulted and Appendix No. 6 is entitled: "The Quebec people on criminality and penalties"; let us note that the authors assume all the credit and responsibility for these polls.

That article shows us what is happening in Quebec, with regard to the Bar and to the Bench.

And those who have commented on the findings of this survey have stated, and I quote:

Some 62.4 per cent of Quebecers think that lawyers are hypocrites, 20.2 per cent believe that they are rather useless to society, 43.1 per cent consider them dishonest and 34.4 per cent go so far as to say that they are thieves.

Furthermore, according to the Quebec people, the law profession—

Hon. Martial Asselin (Charlevoix): Mr. Speaker—

The Acting Speaker (Mr. Laniel): Order. Is the hon. member for Charlevoix rising on a question of privilege?

Mr. Asselin: Yes, Mr. Speaker.

I am a member of the Quebec Bar and I say that the hon. member's assertions are absolutely without foundation and, furthermore, the survey merely concerned itself with a sample group and did not produce any conclusive evidence.

• (8:20 p.m.)

I must say that lawyers are respected in Quebec. They are not all hypocrites and thieves. I must add that the hon. member's comment has nothing to do with the debate now under way. I would ask the Chair to call him to order.

The Acting Speaker (Mr. Laniel): Order. The Chair must inform the hon. member for Charlevoix (Mr. Asselin) that his question of privilege is not motivated. It is rather a question of procedure. The hon. member has not broken into a torrent of abuse against an hon. member or against Her Majesty. However, I would like to take this opportunity to point out to the hon. member for Portneuf (Mr. Godin) that even if up to now the Chair has allowed some latitude to hon. members and that some of them have temporarily digressed from the subject under consideration, he must limit his remarks to the amendment under consideration.

Mr. Godin: Thank you, Mr. Speaker. Hon. members know how sensitive I am and incapable of expressing malevolent views or making charges.

I am merely quoting a newspaper article supporting the motion before us. Nothing in our Standing Orders could prevent me from quoting a newspaper article. I would ask the hon. member for Charlevoix (Mr. Asselin) to please be patient. At the end of my speech, he will realize that he stands among a number of good lawyers. Indeed, if he had been bad, he would now fill another position in society. It is because he is honest that he is nothing more than an ordinary member of Parliament.

For the information of the hon. member for Charlevoix, I was quoting the following:

Only 8.5 per cent of the people think that the law is a distinguished profession, while 49.8 per cent feel that physicians rank first.

Moreover, most of the people interviewed (59.1 per cent) consider that criminal lawyers' fees are too high. What is even worse, Quebecers do not have any regard either for the Bench. Indeed—

The Acting Speaker (Mr. Laniel): Order. After having appealed to the goodwill of the hon. member, the Chair must once again ask him to restrict his remarks to the amendment now before us. To my knowledge, the House is not now judging the Bar, lawyers or other people and to develop this line of argument does not contribute anything to the progress of the debate.

Mr. Godin: Mr. Speaker, I take leave to read the text of our amendment once again:

That Bill C-181 be not now read a third time, but that it be referred back to the Committee of the Whole House for the purpose of reconsidering clause 12 with a view to the inclusion therein of a provision for the establishment of an independent body to review the administration under the said bill.

We want an independent body to be set up, Mr. Speaker, precisely because we find this, in my article. I quote:

—the poll revealed that 43.3 per cent of the people feel that judges are individuals with prejudices, 34.4 per cent feel that they are uncomprehending, 30.1 per cent accuse them of being corrupt—

On the other hand, 21.9 per cent of those who answered believe that judges are appointed solely because of their political convictions.

If it were not the case, Mr. Speaker, we doubtless would have felt that the amendment before the House was not required.

It is precisely to provide for such cases that we want an independent body to review the administration of the

law. In fact, we doubt that the present crisis will end, which concerns us greatly. Now, let it be clearly understood that I am not saying that all judges are bad.

We must admit that in the opinion of Quebeckers we are hypocrites, useless, dishonest and thieves. For instance, it is known that important people have been involved in the forgery of certificates and in fraudulent bankruptcies while others have been accused of patronage. Before being a judge, I think one must be a lawyer.

I know that many judges come from such circles. Unfortunately, to save the legal profession the government—controlled by lawyers—has found no better means than to appoint them to the bench. This is how their past activities are cast into oblivion. Quite a number of lawyers would now be in jail had it not been for their occupation. Means have been found to hide them. They cannot even be called as witnesses before any court. So, what are the verdicts based on? I have already told how I had been charged twice within the same week.

One night the hon. member for Bellechasse (Mr. Lambert) took ill, here in Parliament. The Parliament nurse who was really ill at ease, called upon some medical doctors to visit the hon. member for Bellechasse in his office. Those were the hon. members for Dauphin (Mr. Ritchie), for Simcoe North (Mr. Rynard) and for Athabasca (Mr. Yewchuk); Senator McGrand, also a physician, was present.

Four physicians advised him to go to the hospital but the hon. member, unable to move, had to be carried out by ambulance. In the hospital, English only was spoken. They could not find any room for him and he was sent back out in the middle of the night. The next morning, the hon. member for Bellechasse asked to drive him to the airport so that he could go to a Quebec hospital where he could be admitted. Since I had driven at 50 miles an hour in a 30 mile an hour zone on Riverside Drive, and at 65 miles an hour on McCarthy Road in a 50 mile an hour zone, I was fined once more and charged with impaired driving. I was charged in English, I was tried in English and an English speaking judge sentenced me to a $250 fine. My driver's licence was also suspended for a period of three months and, three months later, the lawyer sent me a bill for $1,000.

At the same time, the hon. member for Lapointe (Mr. Marceau) a Liberal member, went through a 30 mile an hour zone at 100 miles an hour. He simply had to pay a $50 fine. Well if politics do not come into play in cases like that, I certainly would like to know. This is why I shall vote for the amendment under consideration and if I could, I would even vote twice.

[*English*]

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): The question is on the amendment to the main motion. All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

[Mr. Godin.]

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Call in the members.

The House divided on the amendment (Mr. Douglas, Nanaimo-Cowichan-The Islands) which was negatived on the following division:

• (8:30 p.m.)

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Asselin
Barnett
Beaudoin
Bell
Benjamin
Broadbent
Burton
Cadieu
Comeau
Crouse
Danforth
Dinsdale
Dionne
Douglas (Nanaimo-Cowichan-The Islands)
Downey
Flemming
Fortin
Gauthier
Gilbert
Gleave
Godin
Grills
Gundlock
Harding
Harkness
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
La Salle
Latulippe
Lewis
MacDonald (Egmont)
MacEwan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
MacRae
McCleave
McCutcheon
McKinley
McQuaid
Mather
Matte
Mazankowski
Monteith
Moore
Nesbitt
Nowlan
Nystrom
Orlikow
Paproski
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rondeau
Rose
Ryan
Rynard
Saltsman
Schumacher
Scott
Simpson
Skoberg
Skoreyko
Southam
Stanfield
Stewart (Marquette)
Tétrault
Thomas (Moncton)
Thompson (Red Deer)
Valade—78.

NAYS

Messrs:

Allmand
Anderson
Badanai
Barrett
Basford
Benson
Blouin
Borrie
Boulanger
Breau
Brown
Cafik

Messrs:

Cantin	Macdonald (Rosedale)
Chappell	McIlraith
Chrétien	Mahoney
Clermont	Major
Cobbe	Marceau
Comtois	Marchand (Langelier)
Corbin	Marchand (Kamloops-Cariboo)
Côté (Richelieu)	Mongrain
Côté (Longueuil)	Morison
Crossman	Munro
Cullen	Noël
Cyr	Olson
Danson	Osler
Davis	Otto
Deachman	Ouellet
Deakon	Pelletier
De Bané	Penner
Douglas (Assiniboia)	Pepin
Drury	Perrault
Duquet	Portelance
Émard	Pringle
Éthier	Prud'homme
Faulkner	Reid
Forest	Richard
Forget	Richardson
Foster	Robinson
Francis	Rochon
Gendron	Rock
Gervais	Roy (Timmins)
Gibson	Roy (Laval)
Gillespie	Smith (Saint-Jean)
Goode	Stafford
Gray	Stanbury
Guay (St. Boniface)	Stewart (Okanagan-Kootenay)
Guay (Lévis)	Sullivan
Guilbault	Thomas (Maisonneuve-Rosemont)
Haidasz	Tolmie
Hogarth	Trudeau
Howard (Okanagan Boundary)	Trudel
Hymmen	Turner (London East)
Lachance	Turner (Ottawa-Carleton)
Laing (Vancouver South)	Walker
Lang (Saskatoon-Humboldt)	Watson
Langlois	Weatherhead
Laniel	Whelan
Leblanc (Laurier)	Whicher
LeBlanc (Rimouski)	Whiting
Lefebvre	Yanakis—113.
Legault	
Lessard (LaSalle)	
Lessard (Lac-Saint-Jean)	
Lind	
Loiselle	

• (8:50 p.m.)

Mr. Deputy Speaker: The question is on the main motion. Is the House ready for the question?

Some hon. Members: Question.

Mr. David Lewis (York South): Mr. Speaker, in speaking on third reading yesterday my leader set out our position lucidly and forcefully and there is no need to repeat all that he said. I rise first to indicate what happened during the committee stage of the proceedings and, second, hon. members opposite will be delighted to hear, to move another amendment to the motion before the House. If I may, I should like to refer to the remarks that I made on October 16, similar to those that my leader made on the same date. I said on that day:

> If we had been faced today with a request by the government for certain specific changes in the law, with evidence that those changes which this House of Commons would pass were necessary, we would have a different situation.

Later in that speech I also indicated that it may well be that the criminal crisis in Montreal and Quebec—and it was a crisis dealing with criminals—required expanded rights of search without warrant and some expansion of the right to arrest without warrant and to detain for three or four days.

In a memorandum which my leader sent to the Prime Minister (Mr. Trudeau) in reply to a letter from him which was discussed by our caucus on two occasions, he made suggestions of the kind of thing that this party might be prepared to support. For this reason, Mr. Speaker, as the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) indicated, we voted for second reading of this bill in the hope that it might be possible during Committee of the Whole to get the bill amended, thereby reducing its repressive, undesirable and obnoxious aspects.

Mr. Gibson: You don't seem to care.

Mr. Lewis: I wish some hon. member opposite would take the hon. member for Hamilton-Wentworth (Mr. Gibson) behind the curtain and pat his head. Of course, if he has his head patted he might make more noise than ever, Mr. Speaker.

Mr. Ricard: He is sitting on it.

Mr. Lewis: I think it is important to review what happened during the committee stage of this bill. Amendments were moved by the official opposition, by members of my party and by the hon. member for Matane (Mr. De Bané). These amendments were reasonable and none would have interfered with the basic needs that the government claimed were necessary to deal with the situation still present in the province of Quebec.

I repeat that the situation, if it needs any expansion of powers, needs no greater powers than an expansion of the right to search and the right to arrest and detain for a short time in order to apprehend the criminals who are members of the FLQ, and in order to find the dynamite, the arms and ammunition which we were told were stolen—and there is only a suspicion of that in many cases—by the FLQ. This bill goes away beyond that, Mr. Speaker. On several clauses we tried to bring it into greater harmony—

Mr. Gibson: You don't understand.

An hon. Member: Down, boy.

Mr. Lewis: —with the sense of civil liberties and civil rights. On every point the minister and the government remained adamant and would not move an inch. Why is that, Mr. Speaker? That is what I ask myself.

• (9:00 p.m.)

Mr. Peters: There is nothing new in that.

Mr. Hogarth: Nobody wants to listen to the hon. member.

Mr. Deputy Speaker: Order, please. The Chair is experiencing some difficulty in following the hon. member's speech. I wonder if hon. members in the chamber would allow the hon. member for York South (Mr. Lewis) to conclude his remarks.

Some hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, I do not mind interjections from the Liberal benches if they are even half intelligent. I can tolerate them then. May I remind hon. gentlemen opposite that whenever somebody interjected on an earlier occasion, they were all indignant at not being taken seriously; but apparently the defence of civil liberties is something they can laugh at. They are laughing at that this evening, as they have before.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Gibson: The hon. member knows better than that.

Mr. Lewis: We tried to bring in a number of amendments—

Mr. Gibson: The hon. member knows better than that.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please.

Mr. Lewis: I wish hon. members would not pay attention to the hon. member for Hamilton-Wentworth (Mr. Gibson). It is really such an awful waste of time and energy. As I was saying, Mr. Speaker, we tried during the committee stage of the bill to amend the law so that its most obnoxious aspect would be removed. We tried, for example, to persuade the minister to change part of clause 4 of the law so that it would be impossible to intimidate people and inhibit them from communicating information regarding the FLQ, something which journalists all over Quebec were worried about. They are inhibited in this matter today. The hon. member for Matane tried to suggest to the minister that in clause 5 ought to be incorporated provisions similar to those now contained in the Criminal Code, so that the right of a spouse, which under the Criminal Code is extended to the spouse of a kidnapper or murderer, would also be made available to the spouse of one who might be arrested, I suggest to you, for a much lesser offence, the offence of having participated in some meetings some years ago as set out in clause 8.

We tried to persuade the minister that the provisions of clause 7 with regard to bail ought to be a matter for the judiciary and that the power ought not to be given to a political officer and, therefore, to the police forces of a province. My hon. friend, the hon. member for Broadview (Mr. Gilbert) asked the government to accept an amendment which was surely correct, right and just. It sought to provide that no one should be convicted of a crime under clause 8 unless when he attended a meeting of the FLQ many years ago he knew of the criminal aspects of the organization.

I tried to persuade the minister to remove the provision that a policeman may arrest people on mere suspicion and to replace it with reasonable and probable grounds for that suspicion. We emphasized the importance of this provision, because we were not talking in a vacuum; we were speaking with experience behind us, with the experience that 400 or so of the 450 people who had been arrested were released without charge. We had 400 innocent people incarcerated from between three and 21 days and then released without charge. Above all, we tried to persuade the government to establish some supervisory body. We moved such an amendment, as did the official opposition. We tried to persuade the government to allow Parliament to say that if ten members so signified with their signatures, this law could be terminated on a date prior to April 30, 1971.

I suggest to you, Mr. Speaker, that every one of the amendments to which I have alluded, and I remember those that we moved better than those the hon. member for Matane moved—many that he moved fell into exactly the same category as the amendments we moved—would have removed the most obnoxious parts of this bill and made the bill not a good bill, because it would still have interfered with civil liberties, but one that would have been confined merely to the powers that the police in the province of Quebec could reasonably desire and expect. They would have removed the excessive arbitrariness of that bill. But the minister sat there unmoved, adamant and intransigent.

I ask myself, why was that, Mr. Speaker? I can find only two reasons. The first is that there was some kind of order from the cabinet to the minister, an order given perhaps with the acquiescence of the Attorney General of Quebec, saying that there would not be a comma changed in this bill: it had to go through with every word and every comma just as originally drafted.

Some hon. Members: Shame!

Mr. Lewis: The second reason I can think of, Mr. Speaker, is that the minister and the government feared that if they reduced the severity and arbitrariness of this bill, they would be admitting that invoking the War Measures Act and the regulations under that act were clearly panic-stricken measures for which there was no excuse. Indeed, there was none then and there is much less now.

I say to this House, Mr. Speaker, that the hon. member for Parry Sound-Muskoka (Mr. Aiken) was entirely right in what he said this afternoon. We in this party have said on many occasions that the Prime Minister set out deliberately to create in Canada a state of panic and a state of hysteria. He deliberately set out to do that, and he can wave his arms all he likes.

Mr. Trudeau: I am not waving my arms. I say the hon. member is a phony.

Mr. Lewis: Mr. Speaker, the Prime Minister suggests that I am a phony.

Some hon. Members: Hear, hear!

Mr. Lewis: All I can say in return is that he is an expert to learn from.

Some hon. Members: Hear, hear!

Mr. Lewis: Every act of his since he has taken power and rejected and discarded every progressive idea he ever held shows precisely who is phony in this House and in this country.

Some hon. Members: Hear, hear!

An hon. Member: The people don't think so.

Mr. Lewis: He set out deliberately to create a state of panic and hysteria in this country.

Some hon. Members: Oh, oh!

Mr. Lewis: And he succeeded, Mr. Speaker. He succeeded in making many of the people in Canada feel that there was an army of people in Quebec that was about to spring not only on the government of that province but on the government of every other province and the government of Canada.

An hon. Member: Cut it out.

Mr. Lewis: There may be 50 or there may be 100 of these criminals in the province of Quebec; but there has been nothing move than a failure of all the police authorities to deal with this situation as they ought to have dealt with it.

An hon. Member: Who are these people?

Mr. Lewis: What the hon. member for Parry Sound-Muskoka said was absolutely right. I suggest to hon. members of the House that he spoke profoundly and sensibly when he said that since the criminal difficulty has receded, the time has come for us to act in such a way as to reduce the tension in this country, to reduce the tension in the province of Quebec and to reduce the tension between Quebec and the rest of Canada. We ought not to pass a measure such as this one which will merely continue the same hysteria, the same panic and the same arbitrary, regressive legislation that has been in force since October 16.

There are some improvements in this bill, of course, but in some ways the present legislation is worse than the law it replaces. When you keep hysteria like this going, you merely increase it and escalate it. The abuses which have already taken place will continue under this legislation, and there is no reason why we should permit legislation that makes it possible to continue those abuses.

Public Order Act, 1970

• (9:10 p.m.)

As I said at the beginning of my remarks, my leader has stated our position so lucidly and forcefully that I need not deal with that any longer. After these few words of introduction I will deal with what I consider to be one of the most reprehensible parts of this bill, namely, the feature of retroactivity contained in clause 8. I therefore move, seconded by the hon. member for Timiskaming (Mr. Peters):

That Bill C-181 be not now read a third time but that it be referred back to the Committee of the Whole House for the purpose of reconsidering the retroactive aspects of clause 8 thereof.

There is nothing in this bill more reprehensible than the retroactive aspect of clause 8. The amendment seeks to remove from the bill the most objectionable feature of this legislation. Hon. members will recall I moved a similar amendment during the debate on clause 8 at the committee stage. It was negatived by 51 votes to 29. I am again moving this amendment to see whether our object can be achieved on third reading. It will at least give all members the opportunity to stand and be counted on this reprehensible part of the bill now before us.

Despite the effort, involvement and prestige of the administration, the majority of those who voted at the recent Liberal convention could not approve the retroactive feature of the legislation. According to newspaper reports, the resolution dealing with this was defeated by 471 votes to 331, with 219 undecided. A total of approximately 550 could not accept the retroactive feature of the legislation, as opposed to 471 in favour. At the Liberal convention this objectionable feature was rejected by a majority of the delegates.

Mr. Turner (Ottawa-Carleton): That is straining it a bit.

Mr. Lewis: It is not. It is perfectly clear that the 219 who were undecided were certainly not in favour of this feature of the legislation. If they are undecided, they are not in favour. Although the Minister of Justice (Mr. Turner) and other hon. members tried to persuade the delegates, the majority did not accept their position. The 219 undecided were against this feature or they would have voted in favour of it. I interpret it as merely a sense of loyalty to the smile of the Minister of Justice that prevented them from saying no. Therefore, they sat on the fence, an appropriate posture for a Liberal. None the less, they were not in favour.

I suggest the vote at the Liberal convention is further evidence of the instinct of Canadians to avoid that which is repugnant to fundamental rights. As I reminded the House during committee stage and as my leader stated on second reading of this bill, retroactivity has been condemned by the constitution of every civilized country that contains this kind of provision. It has been prohibited by an international agreement to which Canada is signatory and which Canada has ratified. Clause 8 is against the tradition of justice in this country, our obligations under the international agreement and what is accepted in every civilized country in this world.

Retroactive legislation is always wrong. Retroactive criminal legislation is particularly obnoxious and unjust. There can be no argument about the retroactivity of clause 8 of the bill. It states in simple words that anyone who at any time before the passing of this bill attended a meeting of the FLQ or of any branch, committee or members thereof, who communicated statements on behalf of the FLQ or gave support to it at a time when it was not an unlawful association, can be found guilty of being a member of the FLQ unless that person disproves it through acceptable evidence in court.

Anyone who has had experience in court, and my experience has not been as long or as wide as that of many other members of this House, knows very well that an accused, faced with evidence of past activities when the organization was perfectly legal, would be in a terrible situation. He would have to give evidence he is not now and has not been connected with the FLQ whether he likes it or not. That is contrary to our traditions with respect to criminal charges. In essence, a person is in jeopardy of being convicted for acts performed at a time when the acts were entirely lawful, a time when the law did not prohibit attending meetings or communicating statements on behalf of an organization which was only made illegal on October 16. I want to emphasize that I am not speaking of a person who has committed or is charged with a criminal act.

If the minister had accepted the amendment of the hon. member for Broadview it would have been a different story, but he did not. I am speaking about a person who participated or was present at a number of meetings of the unlawful association, spoke publicly in advocacy of the unlawful association and communicated statements at a time when the association was not unlawful. That is the retroactivity feature of this clause.

The precedent that clause 8 would establish is very regrettable. A precedent will be set that if an organization is declared illegal at some date, after it has been declared illegal we can add that anyone who participated in its activities before it was declared illegal is guilty of an offence. That method is used by dictators throughout the world to stifle freedom of speech and intimidate freedom of association and expression of opinion. Dictatorships throughout the world have done that. There is a danger in legislation which is made retroactive to any date the government may wish so that they may spread their net and take in everyone they do not like or anyone opposed to the social or political situation.

This amendment gives Parliament, assembled in the House of Commons rather than in committee, the opportunity to at least remove this vicious, unnecessary and retroactive feature of the bill. I appeal to hon. members to do so.

• (9:20 p.m.)

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, as one who has listened with great attention—

Some hon. Members: Hear, hear!

Mr. Gibson: —to the hon. member for York South (Mr. Lewis) both in the House in this debate and for many hours recently on radio and television, as one who has patiently, through force of circumstances created by the generous time allotment enjoyed by a splinter group in this House, been waiting to answer the sardonic and ill-conceived, partisan attacks launched by the said member on the Prime Minister (Mr. Trudeau)—

[Mr. Lewis.]

Some hon. Members: Author.

Mr. Gibson: —I take great pleasure in responding to the ill-considered views of the said member which, on reflection, I believe to be based on a false appraisal by a man who has no real understanding of the problems of Canada today—

Mr. MacInnis: I rise on a point of order, Mr. Speaker, to bring to your attention that it has always been the custom and the rule of this House that no member may read a speech, especially one prepared by somebody else.

Some hon. Members: Oh, oh!

Mr. Speaker: Order please. The hon. member knows, I am sure, that the rule is not one which has been entirely respected, especially in recent years, and hon. members are familiar with the reply sometimes given by Mr. Speaker to the effect that members may refer to what have been called copious notes. Obviously, this is what the hon. member is indulging in at the present time.

Some hon. Members: Oh, oh!

Mr. Speaker: I think the point is well taken. I have always felt that as an assembly we should try to enforce the long-standing practice that speeches should not be read, except perhaps for those connected with technical subjects, ministerial statements and the like; the ordinary speeches should be delivered extempore rather than read. I hope hon. members will keep this in mind as far as possible when addressing the House.

Mr. Gibson: —by a man who has no understanding of the problems of the day and absolutely no sympathy or tolerance for those in authority in the province of Quebec, which is one of our provinces, a part of Canada and a part of this nation. Moreover, it is a province in which the party to which the hon. member for York South belongs has no representation, never has had any representation and never will have any representation.

Some hon. Members: Hear, hear!

Mr. Gibson: This situation is, I am sure, partly the result of the asinine comments the hon. member has made against the wishes of the people of Quebec and against the wishes of the people of Canada. It is high time somebody spoke out against the hon. member for York South when he unfairly attacks this administration and the Minister of Justice on a basis which has no legal sanction or support. He has failed to acknowledge that under the laws governing narcotics and many other laws of Canada, the rules of evidence provide for a shifting of the onus of proof in certain circumstances, related to peculiar crimes, where an accused has particular knowledge of the facts.

This is a trend in the law of evidence, and the hon. member has sufficient experience in court to know it. But he does not bring this out into the open; he surreptitiously meanders through the debate in a sardonic and sarcastic manner and avoids bringing out the true nature of the circumstances.

Some hon. Members: Oh, oh!

An hon. Member: I am going out for a while.

Mr. Gibson: He cannot take it any longer. He is on his feet. He is on his way.

It would have been a sad day for Canada had the deputy leader of the New Democratic Party been prime minister, for he would have gambled with the lives of cabinet ministers and of public officials as well as with the safety of the city of Montreal, threatened by explosion. He would have waved the phony white flag of justice against the barrels of machine-guns, shooting with peashooters against the FLQ gangsters and kidnappers. If the real force of the tragedy of the Laporte murder had penetrated the skull of the member for York South, he would have appreciated that the very existence of law and order was seriously in jeopardy and that emergency measures were required.

Unless the said member was speaking for the sake of partisan benefit, seeking to gain the support of bleeding hearts like Claude Ryan and others in Quebec whose actions were calculated to undermine the stability of the Quebec government, unless he spoke with the intention of getting support for his party in the province of Quebec, unrepresented as his party is in either the legislature of Quebec or in this House with regard to that province—

Some hon. Members: Order.

Mr. Gibson: I do not know whether that is the case or not, but his party has not enhanced the cause of Canadian justice one iota. The feeble utterances of the leader of the New Democratic Party (Mr. Douglas) would better be expressed—

Mr. Speaker: Order. I hesitate to interrupt the hon. member's interesting speech, but I remind him that what we should be discussing at the present time is the amendment before the House, not the approach or the attitude of individual members toward this bill. I believe we should keep it in mind, while we have an amendment before us, that the debate should be related to that amendment.

Mr. Douglas (Nanaimo-Cowichan-The Islands): On the point of order, Mr. Speaker, it should probably be explained that the person who wrote the speech probably did not know that the amendment was coming up.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I am sure the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) did not make that observation in a serious vein, because he cannot suggest that an hon. member is not making his own speech.

Mr. Gibson: —as using a peashooter to shoot a murderer, in contrast to his words "using a sledgehammer to smash a peanut."

Some hon. Members: Order.

Mr. Gibson: As to the merits of the administration, I submit one can only turn to the arguments made so forcibly and clearly by the learned Minister of Justice who has gone over the matter carefully. His assurances are more to be relied on than the arguments produced by the so-called brilliant experts in the NDP splinter group who have failed to produce any authority for their assertions.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, we now have before us an amendment by the New Democratic Party which opposes clause 8 of the bill.

Unlike my predecessor, I will attempt to put the debate back into perspective. Clause 8 states, and I quote;

> 8. In any prosecution for an offence under this Act, evidence that any person, either before or after the coming into force of this Act,
>
> (*a*) participated in or was present at a number of meetings of the unlawful association or of any branch, committee or members thereof,

Mr. Speaker, I shall limit my comments to the first part of that clause. In my view, retroactive legislation, as evidenced by precedents, is not an usual feature of our legal system of criminal law.

In that respect, clause 8 is a precedent, an exception. The retroactivity of the legislation becomes necessary in special circumstances where the security of the state may be jeopardized. As for criminal law, the retroactivity of a legislation has seldom been invoked.

When I read clause 8, I thought in the first place, owing to the troubles in Quebec and the extremely confused, anarchic and dangerous conditions, that to my regret I would have to accept the retroactivity of the bill since that measure was quite unusual and could be a dangerous weapon in the hands of the government.

When I read the amendment moved by the government concerning clause 8 as well as the preamble to Bill C-181 which states that the government could declare unlawful the association called the FLQ operating only in the province of Quebec and not in the other parts of Canada, it can be assumed that the retroactive effect of this legislation, on account of clause 8, would be a weapon for eliminating any individual who in the last five, ten, fifteen or twenty years might have opposed the government or the present system by means of violence, verbal incitation or otherwise.

Being a Quebecker, what hurts me most is the will of the government to bring the people of Quebec to heel and to keep them within Confederation against their wishes. And now the government wants to use this

retroactive clause to condemn and to hunt down any individual opposed to the established order.

Sharing the views of the hon. member for York South (Mr. Lewis) in this connection, I claim that this is another step toward dictatorship, toward tightening the gag on Quebec people. To impress upon them the benefits of living in Canada, we intend to break them and force them into it.

Those who might have objected during the present crisis are definitely the convicted ones and we readily agree to this proposal. But there is a feature which we refuse to accept and that is to make it an offence to have carried on activities two, ten, twenty or twenty-five years ago. At that rate, the government should go back—and I say "should"—over the discussion which were held last year with respect to the Company of Young Canadians in the Committee on Broadcasting, Films and Assistance to the Arts. In fact, at that time, the Chairman of the Montreal Executive Committee came to Ottawa and told the government: "You should assume your responsibilities. At this very moment there are people paid out of public funds who are busy undermining the Canadian nation, in Montreal and elsewhere and they are doing it under cover of the Company of Young Canadians". The Chairman of the Montreal Executive Committee was then urging the government to look into and to investigate the activities that these people were carrying on and he went as far as asking for a termination of the appropriations to the Company of Young Canadians. Instead, this government, bent on fostering anarchy, said No.

Mr. Speaker, this government is seeking votes. That is why it attempts to break whoever would oppose its views, for it knows well that it will be defeated at the next election. Indeed, it believes that the only way to remain in power is to gag people.

Mr. Speaker, making an act retroactive is unusual. It is most unfortunate that following the events which took place in Quebec, the legislation under consideration should be made retroactive, taking into account the preamble, as well as the broadness and the obscureness of clause 8, which I quote again:

> —either before or after the coming into force of this act,—

Do we have to go back 30, 20 or 5 years in order to lay a charge, for instance, against someone who was a member of the Arcand group or any other group which would have incited people to violence? Thus, all the persons who would have directly or indirectly protested or incited people to violence, to overthrow the government of Quebec or to change the status of that province in connection with the rest of Canada, would be considered as outlaws.

We will have from now on to ask ourselves what is permitted in Canada and if it is quite democratic. The bill states and I quote:

> —either before or after the coming into force of this act,—

What is even more damaging and dangerous is that this legislation, with the amendment imposed by the government in clause 3, and considering what the preamble says, applies only to Quebec. This means that any act of terrorism, any incitation to violence in any other province, before or after this legislation is promulgated, would not be an indictable offence, whereas in Quebec, because some people are asking themselves questions, such action would be blamed and a constitutional framework would be imposed on those guilty of it.

In conclusion, I wish to say that the imposition of a constitutional framework on the people of Quebec will not solve the problem. The only effective method is to show them the benefits involved in federalism. The government saw fit to impose a constitutional framework and also—which is more serious—to muzzle any person who, before or after the coming into force of the act, would have more or less advocated violence.

Then, one should remember the Asbestos strike, on which occasion our three doves prompted the workers to resort to violence.

• (9:30 p.m.)

[*English*]

Mr. David MacDonald (Egmont): Mr. Speaker, we come again to another aspect of this bill that is not only obnoxious but retrograde in its implications; an aspect that indicates that this particular clause is not only retroactive but that the bill itself is a retrograde step, one taken on the initiative of this government. Indeed, it is quite true that because we have been dealing with this bill for some weeks now, even the members of this House may have lost the sense of proportion expected of them by all fair minded and justice-oriented people in the country.

I pointed out yesterday to the Prime Minister (Mr. Trudeau) in the question period not only that we were taking very serious steps to reduce normal liberty in this country and reverse not simply decades but centuries of advancement in the law; we were in fact denying some of the very instruments that have been ratified internationally under the auspices of the United Nations. Yesterday afternoon I pointed out, perhaps not too successfully, that the international charter of human rights, the international bill of human rights, or the universal declaration of human rights as it is sometimes called, as adopted and proclaimed by the General Assembly on the United Nations on December 10, 1948, contains a provision in article 11 to which, if we are to be consistent—which seems to be one concern that the government has at this point—we must indicate to the international community, and more specifically to the United Nations, we can no longer give our assent. Article 11 reads as follows:

> 1. Everyone charged with a penal offence has the right to be presumed innocent until proven guilty according to law in public trial at which he has had all the guarantees necessary for his defence.
>
> 2. No one shall be held guilty of any penal offence on account of any act or omission which did not constitute a penal offence, under national or international law at the time when it was committed. Nor shall a heavier penalty be imposed than the one that was applicable at the time the penal offence was committed.

In both the first and second sections of article 11 of the universal declaration of human rights we have a declaration that runs directly counter to that which we find in

clause 8 of this bill. The presumption of innocence is substantially altered by this clause. There is also the offensive aspect of the clause that establishes a criminal act retroactively. I am impressed by the fact that not only did Canada vote for the resolution adopting the universal declaration of human rights, but in response to the charter of human rights our delegate at the United Nations on December 10, 1948, had this to say:

• (9:40 p.m.)

So far as the position of Canada in regard to the maintenance and extension of human rights is concerned, we shall, in the future, as we have in the past, protect the freedom of the individual in our country where freedom is not only a matter of resolutions but also of day-to-day practice from one end of the country to the other.

The representative for Canada who made that statement was Mr. L. B. Pearson, chairman of the Canadian delegation. How tragic it is that a man who was later to become Prime Minister of this country, and having affirmed what certainly was the will of the Canadian people at that time, should now live in this year 1970 to see his good words and ideals abrogated by the proposals of the government in this temporary public bill.

It is inconceivable to me and it was certainly inconceivable to members of the party who moved this amendment, as the hon. member for York South (Mr. Lewis) pointed out, that such a provision could be made the law of this country. As of yet we have had no explanation from the Prime Minister or the Minister of Justice (Mr. Turner) as to the necessity for this action. The reason this debate has continued so many days can be related to the agony that many members of this House are expressing increasingly about the very grave and bad provisions which are being put into law by this House. Certainly as one member, even as an opposition member, I cannot be proud of being a witness to these unfortunate events.

I think also, as I said earlier in the House, that the long and arduous process of this bill through committee and now through third reading has been symptomatic of the fact that there has been no real willingness on the part of the government to consult in good faith and legislate in good faith on the issue facing this country at the present time. The government has neither clearly informed the House nor the people as to the reason for its request for this legislation, nor has it entered into consultation in respect of the necessity of this bill at the present time.

Mr. Deputy Speaker: Order, please. I respectfully suggest to the hon. member that his remarks should be germane to the amendment before the House and not of a general nature such as he is now making.

Mr. MacDonald (Egmont): Mr. Speaker, my words of just a moment ago, I respectfully suggest, were quite relevant in that I was indicating the reason we have this particular amendment before us and considered the earlier amendment, namely, that the government was unwilling at the committee stage to deal in a consultative and realistic way with the provisions which are increasingly offensive as the people in this country become aware of them. There should be no reason for anyone in this House to apologize for this amendment, or any other, because it deals with something that goes to the heart of our whole system of justice.

What in fact the amendment seeks to do is remove clause 8 of this bill, which in effect states that what a person did yesterday today becomes a crime. I want to make it quite clear that we are not here referring to activities and acts which in the past have in fact been crimes, when people committed acts of terror whether by way of bombings or harassment of one kind or another, or caused a social disturbance or the more serious crimes, for instance, of kidnapping, threat to kidnap, physical assault or murder. Those offences have been well known to the body politic and have been offences not just for decades but in most cases for centuries.

What is being attempted through this clause we are seeking to amend is, in effect, to establish that membership in a particular organization and evidence of that membership, which may go back a number of years, is sufficient to convict a person of a criminal offence. That, I think, must be regarded not only as a serious step but one which is particularly offensive. I think, too, in this context we must realize that the precedent it establishes is surely one of the most shocking that we could consider. By allowing this legislation to pass we will be, in effect, allowing a precedent to be established that a person who may hold a particular belief or who has participated in a particular organization may find that while it may not be a criminal offence at the present time, two years from now or ten years from now Parliament may be able to say, "We now consider membership in or support of this organization or its ideals to be crime."

I think we only have to look at the fact that there has been almost no definition of what the FLQ stands for to realize how broad and how vague that kind of implication can be. We are asked, in effect, to allow the authorities to arrest men and women on the evidence of having attended a meeting or two of this organization two years ago, five years or seven years ago. We are being asked to agree that someone who may have in an informal conversation with a friend half a dozen years ago spoken well of this organization should be regarded now as having committed a criminal offence.

Because this clause refers to a communicative statement, we are being asked to regard even those who transmitted information relating to this organization as having committed a criminal offence. While the Minister of Justice has argued that it is now clearly stated that a simple transmission of this information, without doing it for propaganda purposes, would not constitute a crime, we only have the minister's words in the House in that regard. But we know only too well that when statutes are being interpreted in the courts, only what is in the statutes counts and no desire expressed in this House will affect that interpretation one way or another.

Perhaps most shocking in regard to this retroactive clause 8 is the fact that the government was unwilling to even provide a time limit. It is known to almost everyone in this country that before the month of October those who belonged to or participated in the organization

known as the FLQ, unless they were then participating in accepted criminal activity were not regarded as having done anything illegal. We know of people who have been close to some of the parties in this government who have over the years participated in the FLQ without in themselves having committed a criminal offence.

Now we are being told that if at any time an individual before the month of October participated in, spoke on behalf of or transmitted information with regard to this organization he is liable to a five year term of imprisonment and a substantial fine. How far back are the authorities going? Since there has been difficulty in apprehending some of the individuals who have been directly involved in recent FLQ activity as frustrations and suspicions have increased, we know how much easier it might be to go back and root out these individuals. It might be much easier to go back further in order to deal with those who perhaps at an earlier time, without any thought of participating in a criminal organization, lent their support however briefly it may have been to this organization. Are they to be convicted because of that earlier act or innocent involvement?

One could even ask the question: How widely will this clause be interpreted? The minister has said from time to time in the House that he is not only talking about the FLQ per se, but about a successor or an allied organization. What does that mean, and what will it mean in the interpretation of this statute? What kind of definition or what kind of limits will be set if evidence is gathered about the activities of people? Will it involve those who have been opposed to a certain point of view which perhaps is held by the Prime Minister or by the authorities in Montreal or in Quebec city? What is to be the criteria for guilt under this clause?

• (9:50 p.m.)

This clause is so vague and so bad that when coupled with the preamble and clause 3 it literally gives the authorities carte blanche to arrest and charge just about anyone whom they dislike or feel they would like to put away for a period. Quite frankly, the vagueness of this clause in particular and the bill in general terrifies me. The fact that it might be acted upon by men who are tired, desperate and frustrated leads to greater fear on my part. I believe it is interesting to note that since this crisis occurred, and since the shocking kidnappings and the tragic murder of Mr. Laporte, certain individuals have said things at least in support of some of the ideals of the FLQ while in no way supporting the criminal activities in which the FLQ has been engaged. They, too, surely could be arrested and convicted under this clause.

Even in the riding of the hon. member for Matane (Mr. De Bané) a substantial number of the clergy have spoken out in support of some aspects of the proclamations of the FLQ. Are they not also liable under the edict of this clause? Again I would urge the government to realize that it is directing the country on a most serious, retrograde course and that in asking for this retroactive power, which at no time in my estimation has been justified, it is in effect asking the country to close its eyes to the administration of justice. I do not think the Canadian people should be asked to do this, nor in the final analysis to do something of which they would not approve.

Mr. Ross Whicher (Bruce): Mr. Speaker, this is the second sermon I have heard from the hon. member for Egmont (Mr. MacDonald) today on the same subject. I humbly suggest that he try to get a church where only one service is held on Sunday so that he would not have to deliver the same sermon twice in one day.

Mr. Deputy Speaker: Order, please. Is the hon. member for Egmont (Mr. MacDonald) rising on a question of privilege?

Mr. MacDonald (Egmont): Mr. Speaker, I would be quite happy to offer the hon. member counselling service whenever he feels the need of it, which obviously might be right now.

Mr. Whicher: If I ever have such a need I will try to get somebody who is not quite so wet behind the ears. As my hon. friend said, we have been talking about this subject, whether in respect of the War Measures Act or Bill C-181, for several weeks. It seems to me it is high time those of us who are really interested in this House and in seeing other matters discussed which are important to the people of Canada, such as the prospective increase in old age pensions—

Some hon. Members: Oh, oh!

Mr. Whicher: —increases in veterans allowances, and so on, should be given an opportunity to get on with these subjects.

Some hon. Members: Hear, hear!

Mr. MacDonald (Egmont): Save your speech for caucus.

Mr. Whicher: I suggest to my hon. friends to the left that what the government is attempting to do in bringing forth Bill C-181 is to keep the solemn word it gave Parliament four or five weeks ago, when it said it was initiating the War Measures Act for a limited period because it went too far in respect of civil liberties and that less restrictive legislation would be presented as soon as possible. This is what the government has been and is trying to do. One might very well wonder what would have happened had the government, instead of initiating the War Measures Act—

Mr. Deputy Speaker: Order, please. I hesitate to interrupt the hon. member. Perhaps his remarks are merely introductory at this stage, but I remind him and all hon. members that they should limit their contributions to this debate to the amendment before the House. I do not want to be restrictive because it may be that the hon. member is building up to a speech which will take into account the amendment before us. However, I hope he will keep this in mind.

Mr. Whicher: Mr. Speaker, I assure you that was only a preamble. I wish to speak about the civil liberties

which greatly interest our friends to the left. When they suggest that no one on this side of the House is interested in civil liberties across Canada, I wish to assure them that we are just as interested as they are, and have been for many years. One might wonder what would have happened if this bill had been presented to the House some weeks ago when the Premier of Quebec, the mayor of Montreal and the chief of police of the city of Montreal asked for such legislation. I suggest there could very well have been an insurrection in Montreal. My hon. friends to the left take delight in the fact that there has not been a rebellion in Montreal. May I say that perhaps as a result of the initiation of the War Measures Act that was prevented from taking place.

Mr. Deputy Speaker: Order, please. It being ten o'clock, in accordance with Standing Order 40 a motion to adjourn the House—

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I rise on a point of order. Without trespassing on the patience of the House, I wonder if there might be disposition to extend our sitting for an hour.

Some hon. Members: No.

Mr. Deputy Speaker: Under Standing Order 40, a motion to adjourn the House is deemed to have been made and seconded at this time.

PROCEEDINGS ON ADJOURNMENT MOTION

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

NATIONAL DEFENCE—SUGGESTED RETENTION OF RADAR AND COMMUNICATIONS SCHOOL AT CLINTON

Mr. R. E. McKinley (Huron): Mr. Speaker, today I addressed a question to the Minister of National Defence (Mr. Macdonald) in which I asked him to consider keeping the radar and communications school at the Canadian Forces base at Clinton rather than moving it to Kingston. The Canadian Forces base at Clinton is scheduled for phasing out in September of next year. This question is urgent and proper because last Thursday night, the last day on which the House sat and the minister was in the House, it was announced on the news that the Department of National Defence was to begin construction shortly at the Canadian Forces base at Kingston, at a cost of $1,200,000, for accommodating the radar and communications school which is being moved from the Clinton Canadian Forces base which is scheduled for closure in 1971.

There were many other reasons for asking the question. I was told by the former Minister of National Defence, when there were rumours last June, that there would be new construction but there would be only minor renovations made to the Kingston base to house this school. Therefore, I did not feel quite so badly. Many months ago I asked the Minister of Transport (Mr. Jamieson) to place a new air services training school for the training of air traffic controllers at Clinton in order to keep something operating at the base. This came up previously when consideration was given to spending $6 million on a new building to do this.

• (10:00 p.m.)

I was turned down at that time, but in the meantime Treasury Board refused to grant the Department of Transport the $6 million and told them they should use existing facilities. I immediately wrote the Minister of Transport and requested that another look be given to the Canadian Forces base at Clinton. I received an answer to my letter from the Department of Transport, dated June 19, which stated:

> Reference is made to your letter of April 30, 1970, concerning the possibility of the facilities at Canadian Forces base, Clinton, being suitable for the proposed air services training school.
>
> Treasury Board has requested that the feasibility of joint civilian-military air traffic control training be investigated. The decision in this matter could have a major impact on the type of training facility required. Accordingly, consideration of your proposal regarding the use of the Clinton base will be deferred.

The minister goes on to say that he expects a decision to be made about the middle of the summer. I waited until the middle of the summer, and the feasibility study was carried out by the department. I can report on some of the recommendations that were made. The first was that military-civil air traffic control training be combined, and that a common manual of operations for Canadian air traffic control be developed: standard military deviations from the norm shall be noted therein. The recommendations went on to say that an investigation into surplus buildings and suitable sites for an air traffic control school should be completed by December 15, 1970, which is yet to come.

Naturally, the Department of National Defence is involved in any suggestion that would combine the training of military and civilian air traffic control. I am advised by the minister that that study is now being carried out by his department. I am sure that the completion of this study, in co-operation with the Department of Transport, will affect the decision as to where the training will be carried out.

The fact that the station in Clinton was built for radar and communications would make it most suitable for carrying out training. Many of the facilities and training requirements are similar to those used for training at the radar and communications school. It would be sensible and reasonable to have both carried out at that site if the decision is that civil and military air traffic control training should be combined and carried out at the existing location.

Furthermore, we have investigated further requirements for the base after it is closed, or even before, and that is at Conistoga College which is a community college which serves the Huron County area. They have already put in their requirements, at my request, as to how much of the base they might be able to use if it is not to be used fully in the way I have suggested. This matter is

being considered by Crown Assets Disposal Corporation, who are waiting for these other people to make up their minds.

I am not in any hurry for an answer so long as it is the right one, but the people in the area are becoming quite concerned and they hope to have an answer as soon as possible. I suggest that an answer should be given early in the new year. I am trying to establish that this question is urgent. In my opinion it should have been allowed by the Speaker. In any case, this adjournment debate gives me a little more time to deal with the matter.

Mr. Deputy Speaker: Order, please I must advise the hon. member that his time has expired.

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, the Canadian Forces base, Clinton, is mainly devoted to giving training in radar and communications. For a considerable period of time the Canadian forces activities for training in that field have been divided between Clinton and Kingston.

It had also been evident for some period of time that it would be desirable to consolidate the technical training, and the fact that the military reason and requirement for training provided at Clinton would no longer be required in the near future made it possible to consolidate the operation at Kingston for reasons of economy.

The hon. member referred to the fact that there would be a capital expenditure at Kingston of $1.298 million for the purpose of establishing the consolidated facilities in that city. I would point out that as a result of the closure of Clinton there will be a net saving in annual costs of $2.9 million. In other words, the annual saving from closing the base will be more than twice the amount expended in the first year in putting into effect the training facilities. I might point out to the hon. member, if he does not already know, that the department has been active in locating civilian personnel in other employment.

With regard to his request for the school for air traffic controllers, I should point out that he has a competitor in the field, because the provincial government of Prince Edward Island has made clear its feeling that the air traffic controllers' school should be located at Summerside and this has been supported by the hon. member for Egmont (Mr. MacDonald). We will be in touch with the Minister of Transport (Mr. Jamieson) on this question and will give favourable consideration to both possibilities when the time comes to decide the location of the aircraft controllers' facility.

AIR TRANSPORT—INSTALLATION OF RADIOS AND HOMER BEACON DEVICES ON PRIVATE COMMERCIAL PLANES

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my remarks tonight concern homer devices to be installed on private commercial planes. I am no expert on the subject, but my interest was prompted by my concern for a lost helicopter pilot whose wife happened to be from my riding. It might interest hon. members of the Conservative party to know that he was formerly the pilot of the right hon. member for Prince Albert (Mr. Diefenbaker). This man was lost in the bush area of northern Saskatchewan for 21 days before the search was called off by the search and rescue section of the Department of National defence.

The area covered by the search seemed to me to be extensive, although it was considered by Search and Rescue as limited. Seventy-two thousand square miles were covered twice by search and rescue planes, but during the 21 days there was no sign of the lost pilot and the search was called off. Finally the miracle occurred and the pilot, because he was wise in the ways of the bush, walked out of the bush 30 pounds lighter. Everybody was pleased to learn that he was still alive.

After discussions with a number of people it seems to me that there is in this regard a tremendous expense to the Department of National Defence and also a tremendous risk to the pilots of Search and Rescue. It also seems to me that in this day of sophisticated, technical knowledge we might expect some of this technology to be used to assist pilots lost in a country as vast as ours.

My investigations reveal that the pilot had flown from his base during a white-out and was without radio or homing device of any kind. Upon further investigation I was appalled to learn that the Department of Transport regulations do not prescribe even such fundamental life-saving devices as radio or, indeed, any kind of homing device. Why not? Lost planes are common, especially in British Columbia and Ontario. Why are regulations not necessary, not only to save the lives of people who are lost but also to protect people who by nature of their occupation have a professional duty to find them? On November 6, I put a question to the Minister of Transport (Mr. Jamieson) and part of this answer was as follows:

> The difficulty is that at the moment there is no such assurance of proper standards and we would not want, for example, to require their installation and perhaps give people a false sense of security which, indeed, the equipment now available might not be able to provide.

That seems reasonable enough. We are aware, of course, that all military and commercial transport aircraft using IFR—those letters stand for "Instrument Flight Rules"—are equipped with CPI, otherwise known as Crash Protection Indicator devices. Unfortunately, these devices cost approximately $10,000 each to instal. This amount, of course, is far beyond the reach of many private and small commercial aircraft operators, the loss of whose aircraft causes so much anguish and difficulty to the Department of National Defence. That, I think, is reasonable to assume.

• (10:10 p.m.)

I think we all should examine the criteria necessary for VFR, or aircraft using visual flight rules, the losses among which are probably far greater than among aircraft, the pilots of which can fly on instruments. I have a letter from a constituent of mine which reads in part:

> When our own and other companies' personnel got together, discussions often centered around two points; firstly the difficulty associated with suitable crash detection gear, i.e., Sarah & Dart. It was generally agreed that before such a device could be made compulsory by the DOT it would have to meet the following standards—

The device must be light and small enough so as not to rob valuable pay-load space. It must be sufficiently inexpensive for private and commercial operators. It must produce a signal, audible or visual, which can be picked up by other VFR aircraft. And, above all, it must be 100 per cent efficient.

In the time remaining I think I ought to elaborate a little on these points. My constituent, incidentally, has submitted an experimental device and I think the Department of Transport would be well advised to assist in the development and research of devices of this kind which do not seem to be available at present. All Canadian flyers and all those interested in aviation ought to be concerned about this matter. I think many other groups are concerned. In conclusion I wish to quote from a booklet entitled "British Columbia Chamber of Commerce, General Policy Statements and Resolutions, 1970-71". On page 11 the following notation appears:

RECOMMENDED

That the government of Canada require all aircraft operating in Canada to be equipped with crash position indicator or homing beacon device.

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the specific subject matter, that of issuing regulations requiring all aircraft using Canadian airways to instal homer beacon devices, has been raised several times in the House. It is an important matter and it is one which the Department of Transport has been directly concerned with for a number of years. I congratulate the hon. member for Fraser Valley West (Mr. Rose) as well as the hon. member for Fraser Valley East (Mr. Pringle) who have continued to emphasize the need to require aircraft to carry such equipment.

The Minister of Transport (Mr. Jamieson) indicated in the House, in answering the hon. member's question on November 6, that he is prepared to initiate such regulations. He explained to the House that the matter is not as simple as it would appear on the surface. To merely set out regulations would not solve the over-all problem at this time. What is required is a relatively low-cost locator beacon which is capable of meeting an agreed common technical standard. I should point out that a standard was established and adopted by the International Civil Aviation Organization last year. Subsequently it was incorporated in national technical specifications which were issued in May, 1970, and which are presently administered by the Department of Communications.

The specifications which I have mentioned cover four different types of emergency locator transmitter, only one of which, the personal locator beacon, could be called low-cost. I understand that there are no personal locator beacons on the market which could meet these specifications. However, one Canadian manufacturer of such equipment has recently informed the Department of Transport that he will commence production of a personal locator beacon in 1971. The availability of this equipment will be given very full consideration by the Department of Transport and by the Department of Communications, as will any other similar devices which appear on the market in future.

In conclusion I would like to point out to the hon. member that proposed regulations with respect to emergency locator transmitters were circulated in early 1969 to the aviation industry. Comments received were encouraging and generally favourable.

Mr. Deputy Speaker: Order, please. I regret to interrupt the Parliamentary Secretary, but his time has expired.

ENERGY, MINES AND RESOURCES—POWER—PROPOSED FLOODING OF SKAGIT RIVER VALLEY—SUBMISSION OF BRIEF TO STATE OF WASHINGTON INQUIRY

Mr. Tom H. Goode (Burnaby-Richmond-Delta): Mr. Speaker, this afternoon I put a very important question to the Minister of Fisheries and Forestry (Mr. Davis) on the subject of the proposed flooding of 6,000 acres of the Skagit Valley in British Columbia by the Seattle City Light Company. I should say at the outset that the fight against this agreement, which was made in January of 1967 between the province of British Columbia and Seattle City Light, has been led in Victoria by the Liberal members of the legislative assembly, notably David Brousson, and here in Ottawa by all the members of the British Columbia Liberal caucus, especially the member for Fraser Valley East (Mr. Pringle).

My concern on the issue is prompted by the firm conviction that what the Socred government has done in British Columbia is wrong and is both a disgrace and disservice to the people of our province. What they have done, Mr. Speaker, is to sell out to United States interests, for an annual rental of $5.50 per flooded acre, one of the few remaining wilderness areas in the lower mainland of our province. By agreeing to let the city of Seattle raise by 125 feet the level of the reservoir behind the Ross dam, the government of British Columbia has shown that over the protests of its own citizens it is not only willing but eager to sacrifice the last wilderness valley in the lower mainland, to flood ten miles into British Columbia, to cover over nine miles of fish spawning ground, to inundate the spring feeding ground and nursery for some 450 deer, and to do all of this just so the neon lights in Seattle can shine a little brighter at the expense of the recreational needs of our children and our children's children.

The people of British Columbia will not stand for this, Mr. Speaker. As a last resort they are looking to the federal government to provide a means of saving the Skagit Valley. In an effort to help I have introduced into this House Bill C-130, an act to amend the International River Improvements Act. With your permission, Mr. Speaker, I shall read the effective paragraph of that bill. It is as follows:

Notwithstanding any approval given by the International Joint Commission pursuant to an act of Parliament and notwithstanding this or any other act of the Parliament of Canada, no land in Canada contiguous to the Skagit River in British Columbia shall be flooded without prior approval from the Governor in Council.

If the government decides to accept this bill I will be very pleased indeed, and so will the scores of persons throughout British Columbia who have written asking me to do my very best to prevent this outrage. I will be just as happy if the government can stop the flooding by some alternate means. That is why this afternoon I asked the Minister of Fisheries and Forestry a question along the following lines: "In view of press reports that Mr. John Biggs, head of the Washington State Department of Ecology, has announced that his department will hold hearings on the proposed flooding of the Skagit Valley in British Columbia by Seattle City Light Company, and in view of the fact that Mr. Biggs has indicated that the government of British Columbia and the Canadian government will be encouraged to submit briefs, will the minister assure the House that the government will submit a brief in opposition to the proposed flooding?"

I hope, Mr. Speaker, that the minister is prepared now to make a statement on the government's position in this regard.

• (10:20 p.m.)

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, it is good news that ecologists on the U.S. west coast are beginning to line up against the flooding of the Skagit Valley, particularly the flooding back into British Columbia. My department will gladly supply any information which Canadian interveners may require when appearing at hearings held in the territory of the United States in opposition to this project. I have not yet had an opinion from the Department of External Affairs as to whether it would be proper for an agency of the federal government to appear in a foreign court dealing with matters of this kind, but if there is no problem in this connection I would certainly want us to appear. To repeat, I qualify this, depending on advice I expect to get from the Department of External Affairs.

I should like to outline the present status of the application of Seattle Light and Power to U.S. authorities to raise the Ross dam and flood back into Canada. The Seattle city council voted in favour of its application, but action has been held up by the mayor of Seattle. The Seattle City Light and Power Company will also have to obtain permission after January 1, 1971, from the new department of ecology set up in the state of Washington and get another annual permit of the kind they have been getting every year since 1929. I understand that the new department will require a hearing to be held so there will be an opportunity, early in the new year, for interested Canadian citizens to appear in the Seattle area in opposition to this project.

Assuming the Seattle City Light and Power Company does obtain authorization from the new department of ecology, it would then be obliged to apply to the United State Federal Power Commission in Washington, D.C., which would also require a hearing to be held. A number of Canadians have been asking why we do not require hearings in Canada. Seattle City Light has been contacted on several occasions by the government of Canada with respect to the application of the International River Improvements Act, and we have yet to hear from the company in that connection.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Wednesday, November 25, 1970

The House met at 2 p.m.

[Translation]

PRIVILEGE

MR. MARCEAU—OBJECTION TO STATEMENT OF MEMBER

Mr. Gilles Marceau (Lapointe): Mr. Speaker, I rise on a question of privilege in connection with a statement made yesterday evening by the hon. member for Portneuf (Mr. Godin).

As recorded in *Hansard* at page 1441, the hon. member stated, and I quote:

> Hon. members know how sensitive I am and incapable of expressing malevolent views of making charges.

This might be the only time he said anything true since the rest of his speech is made up of slanderous and inexcusable charges directed against the bar association and myself.

At the end of his speech, the hon. member for Portneuf made a reference to a speeding charge laid against him and mentioning the member for Lapointe he stated the following:

> At the same time, the hon. member for Lapointe (Mr. Marceau) a Liberal member, went through a 30 mile an hour zone at 100 miles an hour. He simply had to pay $50 fine. Well if politics do not come into play in cases like that, I certainly would like to know.

I should like to say to the hon. member for Portneuf and to other members of this House that our private lives have nothing to do with our proceedings and that hon. members are in no way interested in learning about them.

The charge laid by the hon. member for Portneuf is entirely inaccurate and the circumstances under which he was fined $250 are entirely different from those in my case. I wish to say to the hon. member that such charges made in the absence of the person concerned indicate a narrow-mindedness about which I will say no more.

I do not associate all Ralliement créditiste members with such statements, because I have the pleasure of knowing several of them who are honest and charming people. I must say, none the less, that the hon. member for Portneuf disappoints me greatly when he refers to such things. I hope he will withdraw his remarks in due time if he wants us to remain friends.

ROUTINE PROCEEDINGS

[English]

JUSTICE AND LEGAL AFFAIRS

Second report of Standing Committee on Justice and Legal Affairs—Mr. Tolmie.

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

EXTERNAL AFFAIRS

TABLING OF COMMUNIQUÉ ISSUED BY CANADA-UNITED STATES COMMITTEE ON TRADE AND ECONOMIC AFFAIRS

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I wish to table in English and French copies of the communiqué issued by the Joint Canada-United States Committee on Trade and Economic Affairs which concluded its meetings yesterday afternoon.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I rise on a point of order, Mr. Speaker. In the past it has been customary for a minister or several ministers of the Crown to report to Parliament on motions following discussions with their counterparts in the United States government. It is not sufficient to fob off the House with a communiqué which has already been given to the press.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): The minister has the responsibility on motions not only to table the communiqué but to make a statement to the House as to the items that were discussed and the conclusions that were reached.

Some hon. Members: Hear, hear!

Mr. Sharp: I can assure the hon. member that if he will read the communiqué he will find that all those points are covered.

* * *

• (2:10 p.m.)

AUDITOR GENERAL

SUGGESTED WITHDRAWAL OF BILL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker, under Standing Order 43 I ask for unanimous consent to make a motion without notice being given.

The urgent circumstances are as follows: The almost universal opposition in the media and from individuals to the provisions of Bill C-190 makes it clear that Canadians take the strongest objection to any attempt to restrict the authority of the Auditor General. Nevertheless, the continuance of the bill on the order paper in its present form constitutes an attempt to intimidate and harass the Auditor General in the discharge of his duties and to inhibit his examination of such government spending as the substantial increase in costs alleged in respect of the destroyer construction program.

I therefore ask leave to put the following motion:

That in the view of this House the government should forthwith withdraw Bill C-190 and bring in a new bill along the lines of the draft bill which the Public Accounts Committee requested the Auditor General to submit to the committee.

Some hon. Members: Hear, hear!

Mr. Speaker: I am not sure, of course, that the motion is in order because it anticipates an order of the day, but obviously I do not think I should be called upon to rule on this point. What I should ascertain is whether there is unanimous consent to put the motion at this time.

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: As the hon. member will recognize, there is no unanimity and obviously the motion cannot be put.

Some hon. Members: Shame!

* * *

CANADIAN BOOK PUBLISHING DEVELOPMENT CORPORATION

On the order: Introduction of Bills:

November 16, 1970—Mr. Howard (Skeena)—Bill intituled: "An Act to establish the Canadian Book Publishing Development Corporation".

Mr. Howard (Skeena): Mr. Speaker, since Your Honour drew attention the other day, after a quick glance, to some of the provisions of the bill covered by this notice I have taken your advice, looked at it very closely and have concluded that perhaps it does not meet the test of the rules of the House. Accordingly, I should like to withdraw the notice.

Mr. Speaker: The hon. member has foreseen the ruling I would have to make on this point. I did look at the bill closely and noticed one clause entitled "financial". I also noticed a striking though, I am sure, accidental similarity to another bill called an Act to amend the Canadian Film Development Corporation Act, and I am sure that if the hon. member will consult the *Journals* for June 20, 1966 he will note that this bill had been preceded by a resolution. In the circumstances I believe the hon. member is wise to ask the unanimous consent of the House to withdraw the bill. Is this agreed?

Some hon. Members: Agreed.

Order discharged and bill withdrawn.

* * *

MOTOR VEHICLE SAFETY ACT

EQUIPPING OF COMMERCIAL VEHICLES WITH DRIVER SAFETY BELTS

Mr. Barry Mather (Surrey) moved for leave to introduce Bill C-198, to amend the Motor Vehicle Safety Act (seat belts).

[Mr. Baldwin.]

He said: Mr. Speaker, the purpose of this bill is to require that as an additional Canadian motor vehicle safety standard buses and trucks travelling on interprovincial highways be equipped with safety belts and that the use of these safety belts by the drivers of the equipment be mandatory. This is in line with recent legislation in the United States.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

FASHION DESIGN ASSISTANCE PROGRAM

Question No. 22—**Mr. Nystrom:**

1. How much federal money is allocated for the Fashion Design Assistance Program (the program in co-operation with major industries)?

2. How many people are employed?

3. How many years has the program been in operation?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. In 1970/71, total federal allocation for the Fashion Design Assistance Program is:

Program administration and operation, including salaries	$27,400
Grants, bursaries and awards to promote design	32,000
Total	$59,400

2. One officer, full-time, plus one secretary, half-time.

3. This program is in its first year of operation.

OIL EXPLORATION PERMITS—BANKS ISLAND, N.W.T.

Question No. 51—**Mr. Orlikow:**

1. Did the Department of Indian Affairs and Northern Development issue permits recently for oil exploration on Banks Island in the Northwest Territories and, if so, which companies received these permits?

2. Was there any consultation with the native people of Banks Island prior to the issuance of these permits?

3. Were any representations received by the Government of Canada from the native people on Banks Island urging that no further exploration take place until consultations be made with the Eskimo people and, if so, what has been the response of the Government of Canada?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. No, the permits involved in the agreement between the Department and Deminex and Elf Oil Exploration Company Limited regarding the methods of conducting exploration on Banks Island were issued in December, 1964, May, 1965 and July, 1968.

2. No.

3. Yes, representations were received and the Department consulted with the Eskimo people on Banks Island after the abovementioned Oil Companies indicated their intentions to commence geophysical operations. After meetings with representatives of the native people and oil companies, the oil companies were required to sign agreements containing stringent conditions governing the conduct of their explorations. These conditions were aimed at protecting the wildlife and safeguarding the traplines. A copy of the agreement signed by the companies was tabled in the House of Commons on October 21, 1970.

CONSIDERATION OF INCLUDING IN COMPUTATION OF GROSS NATIONAL PRODUCT VALUE OF HOUSEWIFE AND HOUSEHOLD DOMESTIC SERVICES

Question No. 58—**Mr. Broadbent:**

1. Is the Government of Canada and the Dominion Bureau of Statistics giving consideration to including the computation of the Gross National Product the value of the housewife and of household domestic services?

2. Has any department or agency undertaken estimates of household domestic services made on the basis of equivalent values for paid domestic services at market rates and, if so, what percentage of the Gross National Product do these estimates represent?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): 1. In following the standard national accounting conventions used to define production, the Dominion Bureau of Statistics has excluded the value of the housewife and household domestic services from the measurement of the Gross National Product. At the present time no consideration is being given to include this item in the computation of the Gross National Product.

2. No.

Questions

DARTMOUTH, N.S.—FEDERAL BUILDING

Question No. 117—**Mr. Forrestall:**

1. How long has it been since the clock in the Dartmouth federal building ceased to work?

2. What is wrong with it and how much would it cost to have it repaired?

3. Will it be repaired and, if so, when?

Hon. Arthur Laing (Minister of Public Works): 1. 1965.

2. The mechanism of the clock is worn out and requires extensive repairs. Estimated cost of repairs is $3,000. and if such repairs were carried out, no guarantee could be given that the clock would remain in operating condition for any period of time.

3. No.

DEPARTMENT OF PUBLIC WORKS—LEASED SPACE—OTTAWA AND HULL

Question No. 118—**Mr. Mazankowski:**

1. How many square feet of office space is now rented in Ottawa and Hull by the Department of Public Works?

2. What is the annual cost?

3. How much of the leased space is now empty?

4. What is the location of such space?

5. What are the plans of the government concerning the abovementioned?

Hon. Arthur Laing (Minister of Public Works): 1. As of October 15, 1970: Ottawa, 4,599, 144 square feet of leased office space. Hull, 24,765 square feet of leased office space.

2. Annual rental of office space given in Part 1: Ottawa, $18,532,288. Hull, $85,163. Note: The figures quoted are annual rental costs only.

3, 4 and 5. See list following:

Leased Office Space Now Vacant

Building	Address	Floor	Vacant Area in Square Feet	Remarks
Berger	100 Metcalfe Street	4	3,812	Space requested by Department of Communications
Bourque	Rideau Street	2	4,312	Alterations to accommodate computer facilities for Manpower and Immigration Department
Concord	280 Albert Street	3	1,742	Space assigned to Supply and Services Department for computer expansion
Copeland	294 Albert Street	B.1.2.3.4.6.	8,624	6th floor area requested by S. of S. Translation Balance for interim External Affairs Department expansion
Kenson	225 Metcalfe Street	6	4,170	Being prepared for Department of Public Works office planning demonstration area
Kent-Albert	150 Kent Street	4	2,859	Space assigned to Travel Bureau
Laurier	340 Laurier Avenue	7	10,400	For Department of Labour expansion
McDougall	529 Sussex Street	4	1,267	Space assigned to Department of National Revenue, Customs and Excise
Tower "A"	Albert Street	4	7,500	Space assigned to Department of Industry, Trade and Commerce
Trebla	467 Albert Street	4	3,050	Space assigned to Department of Transport (H.Q.)

Questions

DARTMOUTH, N.S.—FEDERAL BUILDING

Question No. 134—**Mr. Forrestall:**

Have plans been made for a new federal building in the City of Dartmouth and, if so, when will such plans be proceeded with?

Hon. Arthur Laing (Minister of Public Works): Not at the present time.

UNEMPLOYMENT INSURANCE—PART-TIME WORKERS—BEAUCE CONSTITUENCY

Question No. 138—**Mr. Rodrigue:**

Does the government have any part-time employees in rural ridings for the purpose of assisting workers in preparing their unemployment insurance applications and, if so (a) what are the names and addresses of these people in the constituency of Beauce (b) what is their annual salary?

Hon. Bryce Mackasey (Minister of Labour): (a) and (b) There are no part-time employees in rural ridings. Workers may apply to a regular employee of the UIC itinerant office in Ville St-Georges, Beauce County, to obtain whatever information they need.

UNEMPLOYMENT INSURANCE—PART-TIME WORKERS KAMOURASKA CONSTITUENCY

Question No. 142—**Mr. Dionne:**

1. Does the government have any part-time employees in rural ridings to assist workers in preparing their unemployment insurance applications and, if so, what are the names and addresses of the persons in the constituency of Kamouraska?

2. What is their annual salary?

Hon. Bryce Mackasey (Minister of Labour): 1. and 2. The workers in the constituency of Kamouraska are directly assisted by the UIC office of Rivière-du-Loup to obtain whatever information they need.

CANADIAN TV—CUTTING OF FILMS

Question No. 157—**Mr. Robinson:**

1. How many films shown on Canadian TV in the years 1969 and 1970 were cut in length from the original film?

2. What was the average amount of time the films were cut when shown on Canadian television?

3. Has CRTC done any research into the cutting of the films shown on television and, if so, what research has been done and is the cutting of the film considered to be an unfair or deceptive practice to the public?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. I am informed by the Canadian Broadcasting Corporation that the CBC keeps no record of the films or other programs cut in length for presentation on television. Complete film or tape programs may be cut in length for one or more of the following reasons: (a) In the case of a television series produced in North America, the program length may have to be cut very slightly in order to accommodate commercial messages, institutional announcements, or program promotional items. (b) Film programs produced in Europe that are not specifically tailored to North American requirements may have to be shortened slightly because the television projection rate in North America is 4% slower than in Europe. (c) Feature films produced for theatrical release rarely accord with the required program length. Usually features have to be edited to fit the program time slot available, although occasionally they are short enough to be presented in their original form. (d) Film or tape programs that contain unredeemed violence, illegal visual or sound content, or in which there is extreme exploitation of the emotions, are cut by the minimum amount necessary, where these programs are otherwise desirable.

In the case of television series, wherever possible the cuts are made where there is no dialogue, and in every case a conscientious attempt is made to respect the integrity of the original production or story line. In the editing of features, the original concept and balance are preserved as much as possible. Films regarded as "classics", or those produced by acknowledged masters of the cinema, are invariably either presented intact or not at all. In the preparation of a magazine type program a short segment illustrating a particular topic is sometimes taken from a longer film.

2. I am informed by the Canadian Broadcasting Corporation as follows: (a) On North American television series where cutting is necessary, approximately 40 seconds in a half-hour program and approximately 50 seconds in programs lasting an hour or longer. (b) Feature films scheduled at the end of the broadcast day are usually allowed to run out without any cuts. Those scheduled earlier, when the timing is more inflexible, are edited by the amount of time necessary to enable them to fit the time period available. Typically, this could run between five and twenty-five minutes.

3. I am informed by the Canadian Radio Television Commission that the CRTC has not conducted any special research on this matter. Through its monitoring activities, the study of station logs, and its general surveillance of program practice, the Broadcast Programs Branch of the CRTC is familiar with the fact that episodes of television series produced outside Canada are sometimes cut by small amounts to accommodate advertising material. Feature length films, not made originally for television, frequently are cut to fit the more rigid time schedule of television. The manner in which the editing is done is extremely important so that the deletions do not distort or destroy the dramatic sequence of events in the original. But unfortunately the Commission has been unable to do any research on the subject.

OIL INDUSTRY IN CANADA

[*English*]

Question No. 189—**Mr. Harding:**

1. What were Canada's estimated oil reserves for the years 1965 to 1969 inclusive in terms of (a) barrels (b) number of years supply?

2. For the same years, how many barrels of oil were (a) produced in Canada (b) imported (c) consumed in Canada (d) exported?

3 For the same years, what percentage of possible maximum capacity was produced by Canada's oil industry?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports:

1. Canadian Estimated Crude Oil Reserves, 1965–69[1]

Year	Proven Reserves (thousands of barrels)	No. of Years	Probable Reserves (thousands of barrels)	No. of Years
1965.....	6,711,237	23.0	8,800,512	30.2
1966.....	7,791,751	24.4	9,798,958	30.6
1967.....	14,518,924*	41.4	16,588,805*	47.3
1968.....	14,731,613*	38.9	16,806,786*	44.4
1969.....	14,969,805*	36.5	16,832,714*	41.0

[1]Includes Synthetic Crude.

*Proven and probable reserves include synthetic crude oil which could be recovered by the existing oil sands plant. These estimates in no way detract from published estimates of approximately 300 billion barrels which are estimated to be recoverable from the Athabasca type oil sands by mining and thermal processes.

2. Crude Oil—Net Production, Imports, Consumed in Canada and Exports[1] 1965–69

(in thousands of barrels)

Year	Net Withdrawals Crude Oil and Equivalent	Imported	Consumed in Canada (Refinery Receipts)	Exported
1965.....	319,608	144,204	352,582	107,697
1966.....	349,140	158,544	378,743	126,799
1967.....	381,168	162,095	387,488	151,356
1968.....	411,827	178,415	414,299	169,230
1969.....	448,715	190,507	432,514	202,718

[1]Includes Synthetic Crude.

3. The percentage of possible maximum capacity produced by Canada's oil industry is as follows:

1965	34.9 per cent (Estimated)
1966	37.8 per cent
1967	39.6 per cent
1968	36.8 per cent
1969	42.0 per cent

PRESCRIPTION INDEX OF THE CONSUMER PRICE INDEX

Question No. 194—**Mr. Saltsman:**

1. At the time Royal Assent was given to Bill C-102, of the 1st Session of this Parliament what was the prescription index of the consumer price index for Canada in the major cities of Canada according to the Dominion Bureau of Statistics?

2. For the latest available month, what is the prescription index of the consumer price index for Canada in the major cities of Canada according to the Dominion Bureau of Statistics?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports that: 1 and 2. Royal Assent was given to Bill C-102, June 27, 1969. The prescription indexes of the consumer price indexes for regional cities of Canada in June, 1969, and September, 1970, the latest available month, were as follows:

Prescription Indexes (1961=100)

City	June 1969	September 1970
St. John's	113.3	112.0
Halifax	102.9	102.9
Saint John	106.3	106.6
Montreal	94.8	97.3
Ottawa	90.1	88.5
Toronto	92.0	90.9
Winnipeg	92.3	93.9
Saskatoon	103.8	104.2
Regina	96.6	97.4
Edmonton	108.0	107.1
Calgary	98.9	96.5
Vancouver	93.5	94.4

DISTRIBUTION OF SPEECHES FROM THE THRONE

Question No. 205—**Mr. Mazankowski:**

1. How many copies of the Speech from the Throne opening the Third Session of the Twenty-Eighth Parliament, October 8, 1970 were printed?

2. What was the distribution of same?

3. How many copies of the Speech from the Throne closing the Second Session of the Twenty-Eighth Parliament, October 7, 1970, were printed?

4. What was the distribution of same?

Mr. Barney Danson (Parliamentary Secretary to Prime Minister): 1. 1,500.

3. 825.

2 and 4.

	Opening Third Session	Closing Second Session
To House of Commons Distribution Office and to officials of the House and Senate	420	320
To Press Gallery	150	100
Initial distribution to government departments and agencies	400	200

No distribution records were maintained for the balance which were made available on a limited request basis from members of parliament, the press and government departments and agencies and to public organizations and universities and individuals thereof until the supply was exhausted.

CRTC—AWARDING OF CABLE SYSTEM CONTRACTS

Question No. 236—**Mr. McCleave:**

1. (a) What cable system contracts have been awarded in Nova Scotia by the Canadian Radio-Television Commission (b) what are the names of the successful companies (c) what areas will they serve (d) upon what terms were the licences granted?

2. Who are the officers and their postal addresses, of the successful companies, and if not officers, who will manage the systems on their behalf, and what are the postal addresses of such persons?

3. What reasons governed the decision in each case?

Questions

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Radio Television Commission as follows: 1. (a) Four. (b) 1. Eastern Cablevision Ltd.—Truro and Bible Hill. 2. Coratel Services Ltd.—Services Coratel Ltée—Truro. 3. A company being presently incorporated as Halifax Cablevision Limited. (4) A company presently being incorporated as Dartmouth Cable Television Limited. (c) 1. Truro—Bible Hill. 2. Colchester Hospital, Truro, N.S. 3. Halifax. 4. Dartmouth. (d) In July 1970, the two companies Eastern Cablevision Limited and Coratel Services Ltd. were granted a renewal of their licences for a three year period. The two companies to be incorporated were granted licences for a period of three years. The approval of these two applications is conditional upon the CATV licensees having effective ownership and control of the local head-end, amplifier and associated equipment and upon both systems carrying the programming of the French language TV service of the Canadian Broadcasting Corporation.

2. 1. Officers: E. Goguen, President (98%); D. Goguen, Vice-President (1%); B. Goguen, Sec.-Treasurer (1%). Address: Eastern Cablevision Limited, 69 Walker Street, Truro, N.S. 2. Directors: G. H. Day (20%); D. O'C. Doheny (20%); T. G. Grivakes (13.3%); J. E. Lawrence (13%); D. B. S. MacKenzie (13.3%). Address: Suite 1203, 5 Place Ville-Marie, Montreal, Que. 3. Directors: A Irvine Barrow (47.5%); A. Garnet Brown (47.48%); J. Keith Lawton (5%); Donald D. Anderson (.02%). Address: Royal Bank Building, Portland Street, Dartmouth, N.S. 4. Directors: Frank M. Leaman (49.96%); Charles Keating (50%); Frank C. Leaman (.02%); Helen V. Leaman (.02%). Address: 12 Dunolly Street, Dartmouth, N.S.

3. 1-2. These two cable systems have been in operation for a number of years and prior to April 1, 1968, they were licensed under the Radio Act. The approvals granted by the Canadian Radio-Television Commission licensed the continuance of these two systems. 3-4. Approval of these two applications is conditional upon the CATV licensees having effective ownership and control of the local head-end, amplifier and associated equipment and upon both systems carrying the programming of the French language TV service of the Canadian Broadcasting Corporation. The Commission noted that the two systems propose carrying programs from the same broadcasting stations and it expects this arrangement to be continued. The Commission proposes to discuss ownership and control of the distant head-end with each party. In the opinion of the Commission, there should be only one CATV system licensed to serve Halifax and only one to serve Dartmouth.

[*English*]

CANADIAN BALANCE OF INTERNATIONAL PAYMENTS, GNP. ETC.

Question No. 250—**Mr. Saltsman:**

1. For each year 1955 to 1969, what are the total interest and dividend (a) receipts (b) payments (c) net balance in Canada's Balance of International Payments?

2. For the same years, what is the net balance in Canadian interests and dividends, as a percentage of Canada's gross National Product?

3. For the same years, what are the total (a) receipts (b) payments (c) net balance of current transactions, other than interest and dividends, in the Canadian Balance of International Payments?

4. For the same years, what is the net balance of current transactions other than interests and dividends, as a percentage of Canada's gross National Product?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports that: 1., 2., 3., and 4., are answered in the following table.

Canadian Balance of International Payments

Year	Interest and Dividend Receipts[1]	Interest and Dividend Payments[1]	Net Balance	Net Balance as Percent of G.N.P.	Total Current Receipts, less Interest and Dividend	Total Current Payments, less Interest and Dividend	Balance	Net Balance as Percent of G.N.P.
Question No.—	1a	1b	1c	2	3a	3b	3c	4
	(millions of dollars)			%	(millions of dollars)			%
1955	161	473	−312	1.1	5,698	6,873	−375	1.3
1956	142	524	−382	1.2	6,333	7,323	−990	3.2
1957	153	594	−441	1.3	6,376	7,386	−1,010	3.1
1958	167	614	−447	1.3	6,285	6,975	−690	2.0
1959	180	671	−491	1.4	6,633	7,629	−996	2.7
1960	171	656	−485	1.3	6,965	7,713	−748	2.0
1961	213	764	−551	1.4	7,575	7,952	−377	1.0
1962	202	783	−581	1.4	8,221	8,470	−249	0.6
1963	230	860	−630	1.4	9,059	8,950	109	0.2
1964	332	1,010	−678	1.4	10,415	10,161	254	0.5
1965	322	1,086	−764	1.4	11,159	11,525	−366	0.7
1966	318	1,140	−822	1.3	13,078	13,418	−340	0.6
1967	295	1,211	−916	1.4	14,790	14,373	417	0.6
1968	353	1,259	−906	1.3	16,831	16,032	799	1.1
1969	414	1,345	−931	1.2	18,508	18,368	140	0.2

[1]Includes interest on long-term bonds and debentures and intergovernmental debt, earnings on international reserves, dividends and profits of unincorporated branches.

RESTRICTION OF EXPANSION DUE TO GOVERNMENT'S AUSTERITY AND ANTI-INFLATION PROGRAM

Question No. 253—**Mr. Robinson:**

How many companies and businesses have restricted their expansion of operation as a result of the government's austerity and anti-inflation programme?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Investment decisions by companies are normally made in the light of anticipated growth in market demand and rate or return on the investment. One purpose of the government's anti-inflationary program is to hold down costs thus enabling producers to become internationally competitive with resulting benefits in terms of sales growth and improved returns on investment.

No information is available on the number of companies that would have had a slower or more rapid rate of expansion had there been no government anti-inflationary program.

DEBT OWED BY TANZANIA TO CANADA

Question No. 259—**Mr. Robinson:**

What debt, if any, is owed by Tanzania to Canada and what are the terms of repayment?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The answer, in so far as CIDA is concerned, is $3,450,000 comprised of three development loans. All three loans have a 50 year maturity, ten year grace period and 0 per cent interest.

INTRODUCTION OF LEGISLATION TO FACILITATE LABOUR AND MANAGEMENT SETTLING LABOUR CONTRACT DISPUTES

Question No. 265—**Mr. Southam:**

Is it the intention of the government to introduce legislation in this session to better facilitate labour and management setting their labour contract disputes?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Yes. Attention is directed to page 2 of *Hansard* dated October 8, 1970.

MEDICARE ACT—CONSIDERATION OF OPTOMETRIC SERVICES

Question No. 275—**Mr. Southam:**

1. Is the government giving consideration to including optometric services in the shared-cost benefits under the Medicare Act on a Canadian-wide basis?

2. If not, is due consideration being given to compensating British Columbia, Alberta, Saskatchewan, Manitoba and Ontario on a shared-cost basis who are already providing these optometric services to their Medicare patients under their respective health plans?

Hon. John C. Munro (Minister of National Health and Welfare): 1. The question of including optometric services as shared-cost benefits under the Medical Care Act is under consideration and will be discussed at the forthcoming Federal-Provincial Conference of ministers of health.

2. Not applicable.

VALUE OF EXPORTS AND IMPORTS IN LAST TEN YEARS

Question No. 291—**Mr. Laprise:**

1. For each of the past ten years, what was the (a) aggregate (b) per capital value of our exports?

2. For each of the past ten years, what was the (a) aggregate (b) per capita value of our imports?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports that:

1. Per capita and total exports for the past ten years are shown on the following table.

2. Per capita and total imports for the past ten years are shown on the following table.

Table showing per capita and total Exports and Imports

Year	Domestic Exports	Domestic Exports per capita	Imports	Imports per capita
	($'000)	($)	($'000)	($)
1960.....	5,255,575	326.25	5,482,695	345.05
1961.....	5,754,986	334.91	5,768,578	340.28
1962.....	6,178,523	335.16	6,257,776	344.86
1963.....	6,798,529	358.75	6,558,209	351.19
1964.....	8,094,219	426.92	7,487,707	399.76
1965.....	8,525,078	434.01	8,633,148	445.20
1966.....	10,070,627	499.03	9,866,439	508.12
1967.....	11,120,674	540.41	11,075,199	537.42
1968.....	13,250,960	633.15	12,357,982	601.72
1969.....	14,486,988	687.86	14,130,353	670.91

OTTAWA—ANIMAL DISEASES RESEARCH BUILDING

Question No. 315—**Mr. Foster:**

Does the Government of Canada plan to proceed with the construction of a new Animals Diseases Research Institute during the next fiscal year and, if so (a) what will be the cost of the new building (b) how many square feet of space will be included (c) what will be its location?

Hon. Arthur Laing (Minister of Public Works): So far as the Department of Public Works is concerned: It is planned to proceed with the construction of the Main Pathology Office-Laboratory, for the Animal Diseases Research Institute during the next fiscal year, subject to the approval of funds by Parliament. (a) It is not the practice to reveal estimated costs of projects prior to the awarding of a contract. (b) The Office-Laboratory building will provide approximately 245,000 gross square feet of space. (c) The building will be located on the Greenbelt Farm, Ottawa.

Questions

WHITEHORSE, Y.T.—FEDERAL BUILDING

Question No. 328—**Mr. Nielsen:**

1. How many tenders were received for a contract to provide lighting improvements to the Federal Building in Whitehorse?

2. What were the names of the contractors who submitted bids and the amount of each such bid?

3. Has the contract been completed and, if not, what is the anticipated completion date?

Hon. Arthur Laing (Minister of Public Works): 1. Five.

2.

Contractor	Amount
S. Montgomery Contractors Ltd.	$123,412.
Houle Electric Ltd.	128,400.
Knight and Waring Co. Ltd.	148,795.
Huber Electric Ltd.	153,188.
Northwest Electric Ltd.	164,258.

3. No. The anticipated completion date is before the end of the calendar year.

LOTBINIÈRE CONSTITUENCY—ADULT TRAINING PROGRAM

Question No. 334—**Mr. Fortin:**

1. How many residents of the constituency of Lotbinière follow courses under the Adult Training Program at the following levels (a) Grade VII (b) Grade VIII (c) Grade IX (d) Grade X?

2. How many follow upgrading courses in each discipline?

[*Translation*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): 1. (a) Grade VII—Nil; (b) Grade VIII—116; (c) Grade IX—17; (d) Grade X—59.

2. Agricultural Training: 79; Motor Vehicle Mechanics —Upgrading: 15; 2-4 cycle Motor Mechanics: 13; Sewing-Machine Operator: 15; Upholsterer (Furniture): 14; Bilingual Stenographers and typists: 15; Clerk, Office, Sale: 17. In addition to the above, there are 51 residents of Lotbinière who follow courses outside the constituency —for a grand total of 411.

[*English*]

LOTBINIÈRE CONSTITUENCY—OLD AGE PENSION AND GUARANTEED INCOME SUPPLEMENT

Question No. 335—**Mr. Fortin:**

How many people in the constituency of Lotbinière receive the Old Age Pension and, of these, how many receive the Guaranteed Income Supplement?

[*Translation*]

Hon. John C. Munro (Minister of National Health and Welfare): Old Age Security statistics are not maintained in such a way as to make it possible to state the number of recipients in any given constituency.

[*English*]

RESEARCH INTO NUTRITIONAL VALUE OF ENRICHED BREAD

Question No. 344—**Mr. Hales:**

1. Has any research been undertaken in Canada to investigate the nutritional value of enriched bread and, if so, what are the results of such research?

[Mr. Laing.]

2. (a) Is the government considering legislation that would require bakers to list on bread wrappers the mineral and vitamin content of enriched bread (b) is the government considering legislation that would establish minimum nutritional standards for enriched bread?

Hon. John C. Munro (Minister of National Health and Welfare): 1. The nutritional value of enriched bread has been investigated by the Food and Drug Directorate. It has been found that the nutrient levels specified in the Food and Drug Regulations are being maintained. Consideration has been given recently to the possible need for the incorporation of additional nutrients into flour and bread.

2. (a) The government is presently considering legislation that would require statements on the label of the vitamin and mineral content of enriched bread; (b) Minimum nutritional standards for enriched bread have been in force since the standard was promulgated approximately 20 years ago. These standards require that enriched bread contains the following amounts of nutrients in each pound:

Minimum	Maximum	
1.1	2.4	milligrams of thiamine
0.8	1.8	milligrams of riboflavin
10.0	15.0	milligrams of niacin or niacinimide, and
8.0	12.5	milligrams of iron.

CANADIAN COMPANIES OPERATING VESSELS UNDER FLAGS OF CONVENIENCE

Question No. 353—**Mr. Skoberg:**

1. What steps are being taken to remove the loopholes by which Canadian companies are operating vessels under flags of convenience for the purpose of evading Canadian Income Tax regulations?

2. What steps are being taken to secure Income Tax from both the corporations and ship crews which are made up of a crew that do not in the main retain a domicile in Canada?

Hon. Herb Gray (Minister of National Revenue): 1. The White Paper on tax reform indicates that it is proposed to introduce provisions patterned generally on those in effect in the United States to counter this type of tax-haven abuse.

2. If they are subject to tax the same steps are taken to collect it as are followed in the case of any other taxpayers. Usually, however, they are not taxable under the present provisions of the law.

OUTSTANDING 3 PER CENT PERPETUAL BONDS

Question No. 354—**Mr. Rynard:**

1. What amount of 3% Perpetual Bonds are outstanding as of September, 1970?

2. What amount of 3% Perpetual Bonds was outstanding as of December, 1966 and what was the quotation?

3. What percentage of 3% Perpetual Bonds are held by speculators?

4. What consideration has been, or is being, given to a due date for the 3% Perpetual Bonds?

5. What has been the increase in the rate of inflation since the 3% Perpetual Bonds were first issued?

Hon. E. J. Benson (Minister of Finance): 1. $55,000,000.

2. $55,000,000. The quotation on December 28, 1966, was $53½ bid—$55 offered.

3. Not known.

4. This was considered extensively when redemption first became possible in 1966 and the policy is subject to continuing review in the light of developments.

5. The consumer price index, 1961=100, was 47.7 in October 1936 and was 130.3 in October 1970.

QUEBEC—CANADIAN FORCES PERSONNEL EMPLOYED DURING RECENT CRISIS

Question No. 365—**Mr. Coates:**

1. What has been the total number of Armed Services personnel employed in the Province of Quebec at the request of the Province of Quebec under the National Defence Act?

2. Of this number (a) how many were stationed in the Province of Quebec (b) how many were from other provinces of Canada (c) what is the break-down by province, of those who were transported to the Province of Quebec from other provinces?

3. What arrangements were made for the housing and feeding of the Armed Forces personnel who were transferred for specific duties under the National Defence Act?

4. What has been the total cost to date to the federal government for the use of Armed Forces personnel under the National Defence Act and, of this amount (a) what portion will be borne by the federal government (b) what portion will be borne by the Government of the Province of Quebec and the Government of the City of Montreal?

Hon. Donald S. Macdonald (Minister of National Defence): 1 and 2. It is not considered to be in the best interests of national security to release at this time the exact numbers of Canadian Forces' personnel employed in the Province of Quebec at the request of the Quebec Government during the recent crisis.

3. Canadian Forces' Bases were used to support the influx of troops and a number of armouries were opened or temporarily taken over to house Regular Force personnel. In a few instances temporary duty was authorized for lodging and meals in areas where no service facilities were available.

4. Costs of these operations, over and above normal pay and allowances, have not yet been assessed, and no decision has been reached yet regarding the sharing of the extra costs involved.

WHITE PAPER ON POST OFFICE ORGANIZATION

Question No. 402—**Mr. Orlikow:**

Does the government intend to Table in Parliament a White Paper on Post Office organization and, if so, on what date?

Hon. Jean-Pierre Côté (Minister without Portfolio): As mentioned by the Prime Minister in the House on November 9, I have been asked to study the feasibility of the Post Office being operated as a Crown Corporation. This study is now under way. When completed it will be possible to consider the question of tabling a White Paper on the subject.

Order for Return

MANPOWER AND IMMIGRATION—MAN-HOURS SAVED DUE TO UTILIZATION OF COMPUTERS

Question No. 404—**Mr. Robinson:**

How many man-hours have been saved as a result of the utilization of computers by the Department of Manpower and Immigration during each year since computers have been used?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Computers are used in the Department of Manpower and Immigration primarily for research and analysis and in support of operations rather than in the more traditional manner of automating large scale clerical functions. Estimates of man-hour savings in terms of the time that would be required to provide the equivalent information manually cannot be made from records presently maintained by the Department.

MANPOWER AND IMMIGRATION—NUMBER OF PERSONNEL LAID OFF AND HIRED DUE TO UTILIZATION OF COMPUTERS

Question No. 405—**Mr. Robinson:**

As a result of the use of computers by the Department of Manpower and Immigration how many employees have been (a) laid off (b) hired?

Hon. Otto E. Lang (Minister of Manpower and Immigration): (a) No employees have been laid off as a direct result of the use of computers. (b) Records are not maintained in a manner which would permit the identification of employees hired specifically because the Department is using computers with the exception of those personnel classified as Computer Systems Analysts or computer operating personnel. There are 67 employees so classified in this Department.

RAPESEED

Question No. 444—**Mr. Gleave:**

1. Is the Department of Agriculture changing its recommendation that the acreage seeded to rapeseed should be dominated by erucic acid-free varieties by 1972 and, if so, what are the reasons for this change?

2. What was the expected cost of providing seed stocks of the new varieties to replace varieties presently in use?

Hon. H. A. Olson (Minister of Agriculture): 1. No.

2. The estimated cost of the current winter seed multiplication program is $1.2 million dollars, all or most of which will be recovered through seed sales.

QUESTION PASSED AS ORDER FOR RETURN

IMMIGRATION OF PROFESSIONALS TO CANADA FROM THE UNITED STATES 1950-1970

Question No. 392—**Mr. Robinson:**

How many (a) doctors (b) dentists (c) accountants (d) chemists (e) engineers (f) architects (g) university professors and/or lecturers (h) other professionals immigrated to Canada from the United States each year 1950 to 1970 inclusive?

Return tabled.

Motions for Papers

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Notices of Motions for Production of Papers Nos. 25, 53, 92 and 155 are acceptable to the government.

CABLE TELEVISION INSTALLATION CHARGES BY BELL CANADA

Motion No. 25—**Mr. Orlikow:**

That an Order of the House do issue for copies of all correspondence, etc., between Bell Canada and the Department of Communications regarding cable television installation charges by Bell Canada.

Motion agreed to.

CORRESPONDENCE WITH ESKIMOS ON ABORIGINAL RIGHTS AND OIL EXPLORATION

Motion No. 53—**Mr. Howard (Skeena):**

That an Order of the House do issue for copies of all correspondence between the Prime Minister of Canada and representatives of twenty-one Eskimo communities in the Northwest Territories and out of Quebec regarding Aboriginal Rights in the Canadian Arctic and Oil Exploration in the North.

Motion agreed to.

COPY OF REPRESENTATIONS MADE TO DEPARTMENT OF TRANSPORT REGARDING MOTOR VEHICLE SAFETY REGULATIONS

Motion No. 92—**Mr. Mather:**

That an Order of the House do issue for copies of all representations made to the Department of Transport regarding the proposed new federal Motor Vehicle Safety Regulations, including regulations for snowmobiles.

Motion agreed to.

INFORMATION CANADA—MEETING AT ST. JOVITE, QUEBEC, OCTOBER, 1970

Motion No. 155—**Mr. Mather:**

That an Order of the House do issue for copies of all reports, memoranda, speeches, etc., presented or circulated at a meeting in St. Jovite, Quebec, undertaken by Information Canada in October, 1970.

Motion agreed to.

Mr. Jerome: Mr. Speaker, would you be so kind as to call Notices of Motions Nos. 26, 47, 58, 61, 69, 96, 97, 105, 107, 108 and 112.

FEDERAL GOVERNMENT MANPOWER RETRAINING PROGRAMS

Motion No. 26—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the report by the task force in the Department of Manpower and Immigration which recommended a 52-week limit for all federal government manpower retraining programs.

[Mr. Robinson.]

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am advised by the Minister of Manpower and Immigration that the papers called for in this motion are internal working documents developed by departmental officers during a meeting in October, 1968, and as such are considered to be confidential. I would therefore ask the hon. member to withdraw his motion.

Mr. Orlikow: Mr. Speaker, in view of the importance of this question and its effect on manpower training programs I cannot, of course, agree with that contention and would ask that the vote be called.

Mr. McIlraith: Transfer for debate.

Mr. Speaker: Transferred for debate.

TELECOMMISSION STUDIES

Motion No. 47—**Mr. Orlikow:**

That an Order of the House do issue for copies of all representations, briefs, submissions etc., received by the Department of Communications regarding its Telecommission studies?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, on behalf of the Minister of Communications, I wish to accept motion for production of papers No. 47 with the following reservations. The telecommission study reports are now being edited and printed and should be available early in 1971. At that time, any representations which are in the form of briefs or submissions to the telecommission will be tabled in response to this motion, except in those cases where the originator or source of information has requested that the information be treated as confidential.

Mr. Orlikow: That is acceptable, Mr. Speaker.

Mr. Speaker: Subject to the reservations or conditions expressed by the Parliamentary Secretary, is it the pleasure of the House that motion No. 47 be deemed to have been adopted?

Some hon. Members: Agreed.

Motion agreed to.

REPORT OF DR. A. VENNEMA, DIRECTOR OF CANADIAN MEDICAL AID IN VIETNAM

Motion No. 58—**Mrs. MacInnis:**

That an Order of the House do issue for a copy of the Interim Report made in March, 1968, by Dr. A. Vennema, Director of Canadian Medical Aid in Vietnam in 1967-68 and for copies of any subsequent correspondence between him and the Department of External Affairs.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move this motion on behalf of the hon. member for Vancouver-Kingsway.

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, all

experts of Dr. Vennema's or Mrs. Culhane's calibre who render special services under contract with the Canadian International Development Agency generally have to submit a routine report on the work accomplished. Such report is part of the terms and conditions set and is submitted under previous agreement that it will be treated confidentially. Often such documents include personal information and assessments...

Mr. Speaker: Order. I regret I have to interrupt the hon. member, but I must remind him that he is not allowed to make a speech at this time. He must merely indicate to the House whether he is agreeable to the submission of the document.

Mr. Ouellet: As such information is confidential, Mr. Speaker, I would ask the hon. member to kindly withdraw the motion.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, she does not withdraw her motion. Question!

Mr. McIlraith: Transfer for debate.

Mr. Speaker: Transferred for debate.

LIST OF PHOSPHATE CONTENTS OF DETERGENTS

Motion No. 61—**Mrs. MacInnis:**

That an Order of the House do issue for a copy of the list prepared by the Department of Energy, Mines and Resources regarding phosphate contents of detergents.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move this motion on behalf of the hon. member for Vancouver-Kingsway.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, since enactment of the phosphorous content control regulations effective August 1, 1970, by Order in Council P.C. 1970-1341, dated July 29, 1970, the various laundry detergent manufacturers have reconstituted their products to conform with these regulations which limit the concentration of phosphorous—

• (2:20 p.m.)

Mr. Speaker: Order, please. I have to interrupt the Parliamentary Secretary and remind him—would the hon. member kindly resume his seat—that he cannot make a speech but should indicate as quickly and as briefly as possible whether or not the motion is acceptable.

Mr. Jerome: Mr. Speaker, no specific list of these reconstituted products now on the market has been prepared since the regulations went into effect. I would therefore ask the hon. member whether he would consider withdrawing the motion.

Mr. Knowles (Winnipeg North Centre): Agreed.

Order discharged and motion withdrawn.

Motions for Papers

REPORTS FROM MRS. CLAIR CULHANE AND DR. ALJE VENEMMA ON CANADA'S INVOLVEMENT IN VIETNAM

Motion No. 69—**Mr. MacDonald (Egmont):**

That an Order of the House do issue for a copy of all correspondence with and reports to the Prime Minister, Secretary of State for External Affairs and the Canadian International Development Agency from Mrs. Clair Culhane and Dr. Alje Venemma with respect to their observations concerning Canada's involvement in foreign aid to Vietnam, possible misuse of Canadian aid and reported atrocities.

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, that also is a confidential document requested by the Agency. As such information is likely to assist and improve the program of Canadian aid to underdeveloped countries, I would ask that it be kept confidential and that the hon. member withdraw his request.

[*English*]

Mr. MacDonald (Egmont): Mr. Speaker, since the government seems unwilling to provide any information in respect of this important question I ask that it be put to a vote.

Some hon. Members: Question.

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

Mr. McIlraith: Transfer for debate.

Mr. Speaker: Transferred for debate.

AGREEMENTS RESPECTING COMPONENT PARTS FOR TELECOMMUNICATIONS SATELLITES

Motion No. 96—**Mr. Macquarrie:**

That an Order of the House do issue for a copy of the agreements between Hughes Aircraft Co. on the one hand and Northern Electric Co. of Montreal and Spar Aerospace Ltd., Malton, Ont. respecting component parts for telecommunications satellites.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, on behalf of the Minister of Communications I wish to report the following. Telesat Canada is an independently operating corporation and is required under the Telesat Canada Act to provide its services on a commercial basis. Therefore it would not be in the best interests of Telesat to make public its private commercial agreements with other members of the industry. Under the circumstances I would ask the hon. member to withdraw his question.

Mr. Macquarrie: I do not accept the explanation.

Mr. McIlraith: Transfer for dabate.

Mr. Speaker: Transferred for debate.

CONTRACT BETWEEN TELESAT CANADA AND HUGHES AIRCRAFT CO.—CONSTRUCTION OF TELECOMMUNICATIONS SATELLITES

Motion No. 97—**Mr. Macquarrie:**

That an Order of the House do issue for a copy of the contract signed between Telesat Canada and Hughes Aircraft Co. for the construction of telecommunications satellites.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the reply to this notice of motion is the same as the one given for notice of motion No. 96, and for the same reason I would ask the hon. member to withdraw his motion. I assume that for the same reason he will refuse.

Mr. Macquarrie: I do not accept the explanation, Mr. Speaker.

Mr. McIlraith: Transfer for debate.

Mr. Speaker: Transferred for debate.

STUDIES UNDER NATIONAL HEALTH GRANT PROJECT 605-7-510 OF 1969

Motion No. 105—**Mr. Harding:**

That an Order of the House do issue for a copy of all studies prepared under National Health Grant Project 605-7-510 of 1969.

[*Translation*]

Mr. Gaston Isabelle (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, there is an agreement in scientific circles to the effect that details of special research projects are to be considered as confidential by researchers and the sponsoring agency. For this reason, the Department of National Health and Welfare does not release the findings of researchers to the public. I would therefore ask the hon. member to withdraw his motion.

[*English*]

Mr. Douglas (Nanaimo-Cowichan-The Islands): Nonsense!

Mr. Harding: Mr. Speaker, I feel this information should be made available to members and I ask that the motion be transferred for debate.

Mr. Speaker: Transferred for debate.

STUDIES RELATING TO FOREIGN OWNERSHIP OF CANADIAN MINING AND MINERAL PROCESSING INDUSTRIES

Motion No. 107—**Mr. Saltsman:**

That an Order of the House do issue for a copy of the studies undertaken in the Department of Energy, Mines and Resources on the degree of foreign ownership and control of the Canadian mining and mineral processing industries as indicated at page 33 of the 1968-69 Annual Report of the Department.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the report on the study of corporate disclosure requirements as they pertain to mining communities, referred to on page 33 of the 1968-69 annual report of the Department of Energy, Mines and Resources, is in the process of publication. It is anticipated that the printed report will be available for distribution within seven or eight weeks, at which time copies of the report will be tabled. In view of these circumstances the hon. member is requested to withdraw his motion.

Mr. Saltsman: Agreed, Mr. Speaker.

Order discharged and motion withdrawn.

STUDIES BY DEPARTMENT OF SECRETARY OF STATE REGARDING NATIONAL YOUTH HOSTELS

Motion No. 108—**Mr. Nystrom:**

That an Order of the House do issue for copies of all studies and reports undertaken by the Department of the Secretary of State regarding National Youth Hostels.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, no report has been issued by the Department of the Secretary of State regarding national youth hostels. I would therefore request that the hon. member be good enough to withdraw his motion.

[*English*]

Mr. Nystrom: In that case I will withdraw it.

Order discharged and motion withdrawn.

INFORMATION PREPARED BY DRUG ABUSE EDUCATION UNIT

Motion No. 112—**Mr. Howard (Skeena):**

That an Order of the House do issue for copies of all literature and other information prepared by the drug abuse education unit of the Food and Drug Directorate.

[*Translation*]

Mr. Gaston Isabelle (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the drug abuse education unit of the Food and Drug Directorate is now distributing material and literature published by various agencies while its own publications on this matter are being prepared.

I would then ask the hon. member to be so kind as to withdraw his motion.

[*English*]

Mr. Howard (Skeena): Perhaps I got the translation incorrectly, Mr. Speaker. Did I understand the Parliamentary Secretary to say that the drug abuse unit has not published any material? I consider that a preposterous kind of anemic war on drug abuse if they have not got anything prepared.

Mr. McIlraith: Transfer for debate.

Mr. Speaker: Transferred for debate.

Mr. Jerome: Mr. Speaker, I ask that the remaining Notices of Motions be allowed to stand.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Howard (Skeena): Mr. Speaker, I rise on a point of order similar to others I have raised in preceding sessions. On the order paper now there are 35 or 40 Notices of Motions for the Production of Papers, nearly all of which have been transferred for debate at the request of the government. If this course of action is continued we will be in the same position we were at the end of the last session. The government is using this procedure under the rules to sweep these motions under the rug and deny any opportunity for debate on many of the items transferred. I submit that this is an abuse of the rules and an attempt by the government to escape its responsibilities.

Mr. Speaker: Order. It is not for the Chair to determine whether there is an abuse of the rules. The hon. member has pointed to a difficulty which was brought to the attention of the House before.

It was my understanding that the rules committee was to take a look at the application of this rule. The committee should be sitting very soon, and it is my hope, along with all hon. members, that this matter will be looked into by that committee.

ORAL QUESTION PERIOD

NATIONAL SECURITY

WAR MEASURES ACT—ARRESTS RELEASES CONTINUING DETENTIONS—CLEARING OF NAMES OF THOSE RELEASED

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Justice whether he can give us up to date figures concerning the number of arrests and releases under the War Measures Act regulations and also whether he can tell the House if any discussions have been held with the Quebec authorities with regard to clearing the names of those who have been released in so far as the implications of any such arrests are concerned?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, the latest figures as of ten o'clock this morning are the same as yesterday. The number arrested is 453, the number rearrested is one, the number released is 402, the number of those detained is 51 and of those, two have already been sentenced.

I have had conversations with the Attorney General of Quebec on matters involving protection not only for those who are currently detained but for those who have been released, and I expect that in due course the Attorney General of Quebec will be making an announcement.

WAR MEASURES ACT—ALLEGATION OF BRUTALITY—INDEPENDENT INQUIRY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, it has been indicated by the Prime Minister of Quebec that no independent review board is to be established there because he would regard that as constituting an insult to the police. But the police in the province of Quebec have now been charged in court with brutality in one instance at least. I should like to ask the Minister of Justice whether, in fairness to the police and to the country, some method will be established to conduct an impartial, independent inquiry into a charge such as this or whether it will be left in the air and in doubt to cast a shadow on the police and indeed upon the administration of justice in the whole country?

Hon. John N. Turner (Minister of Justice): That question is framed in such a way I cannot deal with it definitively here, but I think that any announcement will be forthcoming either from the Premier or from the Attorney General of Quebec.

WAR MEASURES ACT—NUMBER DETAINED BUT NOT CHARGED

Mr. David Lewis (York South): Mr. Speaker, may I ask the Minister of Justice whether any of the 51 or 49—I am not sure of the number, but since two have already been sentenced the number now is probably 49—who are still in jail have not yet been charged.

Hon. John N. Turner (Minister of Justice): I cannot be categorical about that. It may be.

WAR MEASURES ACT—SUGGESTED VISIT BY HOUSE COMMITTEE TO JAILS WHERE PERSONS DETAINED

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Minister of Justice whether he would be prepared to agree to contact, if necessary, the Minister of Justice of Quebec or the Prime Minister of Quebec with the idea of permitting the Standing Committee on Justice and Legal Affairs to visit the jails where men and women are detained under the War Measures Act, with or without charges, and report to the House?

Hon. John N. Turner (Minister of Justice): If that sort of exercise were undertaken, it might properly be done by a committee of the National Assembly of Quebec.

Mr. Woolliams: In view of the fact that the Minister of Justice has some responsibility, would he make the suggestion that he has made in the House to the Minister of Justice or the Prime Minister of Quebec and ask that a committee be set up made up of members of the National Assembly if he is not prepared to do anything so far as this Parliament is concerned?

Mr. Turner (Ottawa-Carleton): I will transmit the representation of the hon. member to the Attorney General of Quebec.

SUGGESTED JOINT COMMISSION TO EXAMINE EVENTS LEADING TO INVOCATION OF WAR MEASURES ACT AND ADMINISTRATION THEREOF

Hon. Robert L. Stanfield (Leader of the Opposition): I would like to ask the Prime Minister whether he would consider consulting with the province of Quebec with a

view to establishing a commission to inquire into the general background of the terrorism and the events leading up to the invocation of the War Measures Act as well as the administration of the Act. I ask this particularly in view of the rather extraordinary statement attributed to the Minister of Justice suggesting that the Minister of Regional Economic Expansion has been guilty of exaggeration and that there have been too many conflicting comments and opinions coming out of Ottawa during the crisis. Could we have such a joint inquiry with a view to deepening our understanding of the development of terrorism in the province of Quebec?

Mr. Turner (Ottawa-Carleton): On a point of order—

Mr. Stanfield: I beg your pardon. I did not refer to our fair-haired Minister of Justice but the Minister of Justice of the province of Quebec.

[*Translation*]

Mr. Speaker: Is the Minister of Justice rising on a point of order?

[*English*]

Mr. Turner (Ottawa-Carleton): It has been clarified, thank you, Mr. Speaker.

Mr. Stanfield: I think the Prime Minister would like to respond to my question.

Right Hon. P. E. Trudeau (Prime Minister): It is a rather intricate question and I must say an intriguing suggestion. If the Leader of the Opposition would either make a clear proposal or perhaps write to me in that respect and indicate—

Mr. Bell: And do away with the question period?

Mr. Trudeau: —what kind of joint commission he would like to see set up between the Quebec government and the federal government, I will certainly consider it. But I would appreciate a clearer explanation of the proposal. I must say it does not strike me as a very practical one or one that is customary.

Mr. Stanfield: I would really prefer the Prime Minister to set up such a commission himself but I thought he might be happier in consulting the province of Quebec about it.

[*Translation*]

Hon. Martial Asselin (Charlevoix): Mr. Speaker, my question is supplementary to the question put by the Leader of the Opposition to the Minister of Justice.

The Minister of Justice knows that his counterpart in Quebec will announce today a formula for compensating the people who were arrested unjustly under the War Measures Act. I should like to know if the federal government will contribute to that compensation fund. If so, to what extent?

[Mr. Stanfield.]

Hon. John N. Turner (Minister of Justice): Mr. Speaker, last July, the whole matter of compensating victims of crime was discussed in a general way. But no firm agreement was reached in this regard in Halifax, last July, except that all the provinces agreed that an effort should be made to achieve uniformity in that kind of legislation. To date, there has been no agreement between the province of Quebec and the federal government with regard to compensation in the present situation.

Mr. Fortin: Mr. Speaker,—

Mr. Speaker: Does the hon. member for Lotbinière have a supplementary question?

Mr. Fortin: No, Mr. Speaker.

[*English*]

WAR MEASURES ACT—JOBS LOST BY PEOPLE DETAINED AND RELEASED WITHOUT CHARGE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Perhaps this would be a good point at which to ask about those who have been arrested, detained and released without charge. I asked this question the other day. How many of them have lost their jobs as a result of their incarceration? Perhaps the Solicitor General could answer this question.

Hon. G. J. McIlraith (Solicitor General): No, Mr. Speaker, I am not able to answer it.

Mr. Fairweather: Perhaps he would find out the answer.

* * *

ENERGY

DISCUSSION OF CONTINENTAL POLICY AT CANADA-UNITED STATES MINISTERIAL MEETING—REQUEST FOR POLICY STATEMENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I direct a question to the Secretary of State for External Affairs arising out of the meetings held in the last two days between representatives of the Canadian and United States governments. Were there any discussions on a continental energy policy and has the Canadian government made any commitment with respect to the sale of Canadian gas or other energy resources in return for a promise of free access for Canadian oil to the U.S. market?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The answer to both questions is no.

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I ask the minister a question arising out of the statement by Mr. Walter Hickel, United States Secretary of the Interior, who said to the press and also on television last night: "We are still trying to work out how we can have a continental energy policy". Assuming that the Secretary of State for External Affairs and Mr. Hickel were at the same meeting, may I ask the Secretary of State for

External Affairs if he is now saying that Mr. Hickel's statement is inaccurate?

Mr. Sharp: No, Mr. Speaker. I would point out to the hon. member that the pronoun "we" is somewhat ambiguous in this context. I can assure him there were no discussions—

Mr. Baldwin: Only the Prime Minister can use that pronoun.

Mr. Sharp: —at our meetings about a continental energy policy. Mr. Hickel, of course, and his friends may have an idea along this line, but I cannot answer for him.

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I then direct a supplementary question to the Prime Minister. In view of the fact that discussions have been held in Washington last week with respect to oil and we have already made commitments with respect to 6.3 trillion cubic feet of gas, would the Prime Minister undertake to have the Minister of Energy, Mines and Resources make a statement to the House tomorrow outlining Canada's energy policy before we fritter away our resources bit by bit without any over-all program?

Right Hon. P. E. Trudeau (Prime Minister): I am sure the minister will be anxious to satisfy any question the opposition may have on this or other subjects, and if the hon. member properly addresses a question to him when he is in the House he will do his best to answer.

OIL—REMOVAL OF UNITED STATES IMPORT RESTRICTIONS

Hon. D. S. Harkness (Calgary Centre): I have a question for the Secretary of State for External Affairs. In view of the report from this meeting that the United States has agreed in principle to do away with the restrictions on imports of Canadian oil into that country, has any specific date been set or agreed to by the United States ministers for putting that policy into effect?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I am sure the hon. gentleman will want to correct *Hansard*. He talked about ending imports into the United States. I am sure he meant restrictions on imports into the United States. May I read a sentence from the communiqué that I think is the answer.

Mr. Lewis: You should have made a statement on motions.

Mr. Sharp: I thought that hon. members would like a statement that has been agreed to by both sides.

Mr. Speaker: Order, please.

URANIUM—OPENING OF UNITED STATES MARKET TO INCREASED IMPORTS FROM CANADA

Mr. Maurice Foster (Algoma): I have a supplementary question for the Secretary of State for External Affairs. In view of the agreement between Canada and the United States to open the U.S. market to increased shipments of Canadian crude oil, can the minister say if any progress was made in the recent talks concerning the opening of the U.S. market to increased sales of Canadian uranium?

Hon. Mitchell Sharp (Secretary of State for External Affairs): We did make exceptional progress in opening the market for oil. We did not make much progress on uranium.

Mr. Foster: Is it the policy of the government of Canada to work toward an open quota system with regard to the U.S. market for Canadian uranium?

Mr. Sharp: Yes, Mr. Speaker. We made the strongest representations to the United States and we reminded them of their obligations under the General Agreement on Tariffs and Trade. I believe that in due course the United States will honour their obligations.

OIL—REMOVAL OF UNITED STATES IMPORT RESTRICTIONS

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, I wonder if the minister might now be permitted to complete the answer which he started to give me with regard to the specific state of import quotas on oil shipments into the United States?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I would be happy to do so if there is no objection from other hon. members. The communiqué, which is of course the record of the meeting that I think I ought to quote on this occasion, says:

> For 1971, it is expected that pipeline capacity would need to be fully used and it was agreed that arrangements should be worked out quickly to permit in subsequent years—
>
> Subsequent to 1971.
>
> —full and unimpeded access to United States markets of Canadian crude oil and petroleum products, surplus to Canadian commercial and security requirements.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to ask a supplementary question. In light of the statement made by the minister—of course we thank him for not making an initial statement in the House and for keeping it all to himself—how can the minister be satisfied that these arrangements can be made unless he has received an assurance that the Trade Act which has been passed by the House of Representatives will not become law, since by its terms it would prohibit the President of the United States from relaxing any oil import quotas?

Mr. Speaker: Order. The hon. member for Edmonton West will agree, I am sure, that this is debate rather than a question.

Mr. Lambert (Edmonton West): With the greatest respect, Mr. Speaker, I asked whether an assurance was received.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in view of the importance of this issue and so that it may

be fully debated, would the government not agree to set aside a day for debate on a motion by the government to agree to the terms of the communiqué?

Mr. Sharp: Mr. Speaker, if the opposition would like to oppose the arrangements we have made for full and unimpeded access into U.S. markets for Canadian oil, I think they should use an opposition day.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I believe the hon. member for Calgary North has a supplementary. The Chair will recognize him, and after that go to the hon. member for Lotbinière who has been waiting for a while.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask this question of the Secretary of State for External Affairs. Have the actual quotas been lifted or are Canadian exports still under restriction? If they are under restriction what was the amount agreed upon, if there was agreement, between this country and the United States with respect to the export of Canadian crude petroleum to that country?

Mr. Sharp: Mr. Speaker, the hon. member should know, or at least certainly those who were members of the previous Conservative administration should know, that these meetings are held between ministers and secretaries. We deal generally with the principles and on this occasion we got the U.S. secretaries, who are very responsible people and who could not speak if they were prevented by legislation, to agree that we should in years subsequent to 1971 get full and unimpeded access. We did not deal specifically with the amount for 1971, except that we would probably utilize the full capacity of the pipelines. I hope that will satisfy the hon. member.

Mr. Woolliams: It is just words.

* * *

[*Translation*]

LABOUR CONDITIONS

PROVISION OF JOBS FOR UNEMPLOYED PROFESSIONALS

Mr. Henry Latulippe (Compton): Mr. Speaker, I would like to put a question to the Minister of Manpower and Immigration.

In view of the fact that the Canadian economy will not offer in 1970-1971 adequate prospects for the increasing number of university graduates who will not be spared by the heavy unemployment, according to a report of the federal Department of Manpower and Immigration to be released shortly, would the minister indicate what his department intends to do in order to solve this problem?

Mr. Speaker: Order. If the minister intends to answer the question, may I suggest that he be brief. It seems to me that the hon. member for Compton is asking the minister to make a statement which should normally be made on motions.

[Mr. Baldwin.]

[*English*]

UNITED NATIONS

CANADIAN ABSTENTION IN VOTE ON RESOLUTION CALLING FOR RESUMPTION OF MIDDLE EAST PEACE TALKS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It has to do with the United Nations General Assembly resolution which called for the unconditional resumption of the Middle East talks and which was passed with the United States voting against the resolution. Having regard to the amount of criticism that is taking place across the country concerning the fact that Canada abstained from voting on this resolution, having only a few days earlier been so outspoken in favour of the Israeli stand during the visit of the Prime Minister of Israel, what was the reason for the abstention?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the right hon. member will know if he followed the debate very closely, that we voted with Israel on a motion proposed by the Latin American countries which was satisfactory to Israel. We voted with them and that motion was defeated. Then came the motion that had been proposed by the Afro-Asian bloc which we had been trying, not with too much success but with some success, to have modified in such a form that it might have been acceptable to us. We did not succeed and therefore we abstained.

Mr. Diefenbaker: What was the nature of the qualification the minister desired to have in the resolution in order to make it acceptable to Canada?

Mr. Sharp: Mr. Speaker, I think that is quite clear. We wanted that motion to be fully consonant with resolution 242 of the Security Council. Since it was not, we abstained.

Mr. Diefenbaker: Has the minister since received criticism from various Jewish organizations across Canada for having maintained a position of neutrality at a time when Israel needed Canada's help?

Mr. Sharp: We had commendation from them for supporting the motion supported by Israel. They would have preferred, I think, to have us vote against the subsequent motion, but I do not think they were unhappy that we abstained. We certainly did not support it. We protested very strongly against the inopportuneness of the debate itself which we felt, and which I still feel did not advance very much the cause of peace in the Middle East.

Mr. Diefenbaker: Has the minister read *The Canadian Jewish News* and its editorial about Canada taking a position of neutrality detrimental to the Jewish people and to Jewish Canadians as a whole? Has he read that?

Mr. Speaker: Order, please.

CITIZENSHIP

RESPONSE TO LETTER FROM NATIVE CULTURAL AND COMMUNICATIONS SOCIETY OF ONTARIO

Mr. Frank Howard (Skeena): Mr. Speaker, last week I put a question to the Minister without Portfolio dealing with citizenship matters, and I gather it is possible that he is now in a position to answer it. Inasmuch as the question and answer should appear on the same page, perhaps I might state the question again. I ask the Minister without Portfolio who deals with citizenship matters why, as of last week, there had been no response to the letter written to the minister under date of August 24 by the Native Cultural and Communications Society of Ontario?

Hon. Robert Stanbury (Minister without Portfolio): Mr. Speaker, I am not aware of an actual organization by that name, but letters from a lady interested in forming such a society have been responded to in personal discussions with her.

Mr. Woolliams: What society is that?

Mr. Stanbury: The society referred to by the hon. member. They have been responded to by discussions with her over a long period on the part of departmental officers. Consultations with provincial authorities and interested organizations have also been carried on, and as a result a decision can and will now be conveyed promptly.

Mr. Howard (Skeena): I commend the minister for taking the opportunity of speaking personally to the young lady. It means there is hope yet within the Liberal party.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Howard (Skeena): Inasmuch as the letter of August 24 directed to the minister contained a request for a grant, similar to a request made to the provincial government of Ontario, to cover the cost of some organizational meetings, would the minister state what decision has been made with respect to that request?

Mr. Stanbury: The decision that is being conveyed is the same as that of the province of Ontario—in the negative.

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AIR TRANSPORT

BASING OF FARES BY CERTAIN AIRLINES ON CANADIAN DOLLAR PEGGED AT 92 CENTS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs who, according to the roster, was to be here today. It relates to the Department of Transport and perhaps the Acting Minister can deal with it. In view of the action of Air Canada, Canada Pacific Airlines and BOAC in artificially raising the cost of international air travel to Canadians by basing fares on the Canadian dollar pegged at 92 cents, what action is the government taking to remove this discriminatory practice?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, I will be very glad to take that question as notice on behalf of the Minister of Consumer and Corporate Affairs.

Mr. Dinsdale: In view of the critical importance of air travel to the Canadian community, I wonder if the Acting Minister could request the minister to make a statement on motions at the earliest possible opportunity?

Mr. McIlraith: Mr. Speaker, I will draw that matter to his attention for his consideration.

* * *

UNEMPLOYMENT INSURANCE

INCLUSION OF HOSPITAL WORKERS—PAYMENT OF COST

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, may I address a question to the Minister of National Health and Welfare. In light of the severe hardship that may be caused by the inclusion of hospital workers, who are in a low wage bracket, in the unemployment insurance plan, which action would increase hospital costs by approximately 2 per cent, and in light of the government's call to hold hospital costs, can the minister inform the House whether this added hospital cost will be met by the federal government in future cost-sharing programs?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I do not agree with the premise of the question. I think such coverage will be very beneficial for the hospital workers involved. We know that they wish to be covered, and I have been approached about this matter personally. As far as costs are concerned, of course the employers' portion would be part of the administration of the hospital and would be shared.

Mr. Rynard: Does the minister not recall or does he not know that a previous minister of health did not include these workers because of the rising costs?

Mr. Speaker: Order, please. I would think that the question as asked is not in order.

Mr. Munro: The interests of the workers are being upheld.

* * *

[*Translation*]

EXTERNAL AFFAIRS

CYPRUS—DURATION OF STAY OF CANADIAN ARMED FORCES

Mr. Roch La Salle (Joliette): Mr. Speaker, in the absence of the Minister of National Defence, I would like to put my question to the Secretary of State for External Affairs.

Can he say if the Canadian troops stationed in Cyprus will remain there after December 15 and for how long?

Inquiries of the Ministry

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we are making a decision in the next few days to extend the duration of our peacekeeping forces there by another six months.

* * *

HEALTH

INVESTIGATION OF HAZARDS FROM USE OF LEADED GASOLINE

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Have any surveys been completed or are any under way to check into the health hazards arising from the use of leaded gasoline?

An hon. Member: That is a leaded question.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I shall take that question as notice.

* * *

[*Translation*]

PUBLIC SERVICE

PARTICIPATION OF EMPLOYEES IN ELECTION CAMPAIGNS

Mr. René Matte (Champlain): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development.

Did the minister give leave to his special assistant, Mr. Jean-Paul Matte, to campaign in favour of the Liberal party for the by-election in the constituency of Frontenac?

Mr. Speaker: Order. I should remind the hon. member that this question has already been asked. I do not remember the minister answering, but in any case, if he did not, I think this question could easily be put on the order paper.

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FEDERAL-PROVINCIAL RELATIONS

QUEBEC—TRANSFER OF MANPOWER AND HEALTH INSURANCE SERVICES TO PROVINCE

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I should like to address a question to the right hon. Prime Minister.

In view of the fact that Premier Bourassa of Quebec stated yesterday in the National Assembly that decisions will soon be made jointly with the Ottawa government, in order to put the manpower and medicare services under the control of Quebec authorities, I should like to ask the Prime Minister if he can confirm that statement?

Right Hon. P. E. Trudeau (Prime Minister): I would respectfully point out that the quotation is not accurate, Mr. Speaker. I believe Premier Bourassa said that such matters were under discussion. He did not indicate that those discussions would bring about the results the hon. member mentioned.

Mr. Asselin: Mr. Speaker, I should like to ask a supplementary question.

Will a decision be taken soon as a result of the present discussions between the federal government and the province of Quebec?

Mr. Trudeau: It depends on the province's request, Mr. Speaker. If it asks that Ottawa renounces part of its jurisdiction, the reply will evidently be no. If attempts are made for an agreement that the reciprocal jurisdictions of the two governments operate more efficiently the reply will certainly be yes.

* * *

FINANCE

QUEBEC—REQUEST FOR REFUND OF SOCIAL DEVELOPMENT TAX

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, would the right hon. Prime Minister say whether the next federal-provincial conference is expected to deal with refunding of the $250 million levied as a so-called social development tax and which Premier Bourassa asked for again recently?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member is asking questions which were answered a long time ago. This question was put several months ago and I no longer see its relevance since the last September conference.

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

[*English*]

Mr. Speaker: Order, please. The Chair will allow the hon. member for Sainte Marie another supplementary question. However, we are running out of time and I ask the co-operation of hon. members in trying to move on a little more quickly.

[*Translation*]

Mr. Valade: Mr. Speaker, I wish the right hon. Prime Minister would clarify his statement. In view of the fact that a request in this regard has been repeatedly made by the Quebec premier since he took office, and that the question of a repayment was therefore brought up at the last federal-provincial conference, is the Prime Minister ready to reconsider this matter or does he consider the question as closed?

Mr. Trudeau: Mr. Speaker, the hon. member will recall that this question was first raised because the Union Nationale government in Quebec had been far too long in accepting the federal medicare plan. Fortunately, the present Liberal government has been able to implement this excellent health insurance plan and the question is thus closed.

[*English*]

DISCUSSION OF UNEMPLOYMENT PROBLEM AT MEETING OF MINISTERS

Mr. Walter C. Carter (St. John's West): Mr. Speaker, may I direct a question to the Minister of Finance concerning the meeting of finance ministers that is to take place in Ottawa on December 7 and 8. Does the minister intend to set aside a period during those meetings in which to discuss the very serious unemployment problem that will be facing Canadians this coming winter?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, one of the prime purposes of having the meeting in December with the provincial treasurers and Ministers of Finance is to discuss the economic situation as foreseen for the coming year.

* * *

TRADE

EXTRATERRITORIAL APPLICATION OF UNITED STATES EXPORT CONTROLS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct to the Secretary of State for External Affairs a question relating to the communiqué issued following the joint Canada-United States ministerial meetings. I direct his attention to the bottom of page 2 and ask him whether it is proper to conclude from this that the United States participants at the conference refused to give any assurance to the Canadian ministers with regard to the extraterritorial application of controls in the United States?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker. The secretaries, since they were bound by the laws of the Congress, could not give an undertaking to change them. They are not members of a legislature, as the Leader of the Opposition is and as I am. Therefore they were not able to commit the Congress. However, we did impress upon them the desirability of using their influence to have these laws changed so that the extraterritorial application of such laws, which we believe to be provocative and ineffective, should be ended.

Mr. Stanfield: A supplementary question, Mr. Speaker. I apologize for taking the time, but I think this is a question of the greatest importance. Was any assurance given that the United States administration would press for the policy that the Canadian ministers were pressing upon the American ministers?

Mr. Sharp: The secretaries with whom we were discussing these matters said that they understood the point better than ever before, and they were influenced, I believe, by what we said. That is the best we could hope for.

Inquiries of the Ministry

AIDE-MEMOIRES ON POSSIBLE UNITED STATES RESTRICTIVE POLICY

Mr. Max Saltsman (Waterloo): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. It is in connection with a meeting of ministers in Washington. It is reported that the Canadian government has delivered two aide-memoires to the American government regarding the possibility of a restrictive trade policy. I ask the Secretary of State for External Affairs whether he has tabled these aide-memoires in the papers he placed before the House today and, if not, whether he intends to do so?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, no, I did not table them today. The notes were presented some time ago. They were not part of the papers before this conference. I should like to take as notice the request of the hon. member to have them tabled. I believe that they may have been of such a character that they could be tabled. I will examine that question.

* * *

CANADIAN BROADCASTING CORPORATION

PERFORMANCE OF ILLEGAL ABORTION ON PROGRAM "WEEKEND"

Mr. Jean-R. Roy (Timmins): Mr. Speaker, my question is addressed to the Minister of Justice and concerns the illegal abortion presented on last Sunday's CBC "Weekend" program. Was the minister's department consulted for an opinion on whether an offence was committed under the Criminal Code by this advocacy of an illegal act on our national network? Also, does the minister intend to take any action with regard to the subtle urging of organized abortion clinics in defiance of the law on this subject?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, the answer to the first part of the question is no. To the best of my knowledge the Department of Justice was not consulted. The answer to the second part of the question is that I do not believe it is an offence to advocate a reform of the law.

* * *

AIR TRANSPORT

GRANTING OF LANDING RIGHTS AT TORONTO TO CERTAIN AIRLINES

Mr. S. Perry Ryan (Spadina): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. Would the minister inform the House whether the government intends to grant landing rights at Toronto for the five European airlines that have requested these rights, namely Alitalia, KLM, SAS, TAP and Lufthansa?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, that question ought to be addressed to the Minister of Transport. I think the general answer is that the matter is still under consideration.

Inquiries of the Ministry

INDUSTRY

ELECTRONICS—HARDSHIP CREATED BY ALLEGED DUMPING OF FOREIGN TELEVISION SETS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of National Revenue. In view of the charge by the Canadian Electrical Manufacturers Association that unfair competition has brought about high unemployment and could mean the extinction of the Canadian electronics industry, has the government made any move to investigate charges that Japan and Taiwan are dumping television sets in this country? If so, will the anti-dumping tribunal be taking any action on this matter?

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, an investigation has been initiated by the Department of National Revenue. Notice of this investigation was published in the Canada Gazette on November 14, 1970. The investigation is now in progress. If in fact dumping is established, provisional duties are then applicable. At that time the question of material injury will be referred to the anti-dumping tribunal for decision. If the tribunal finds that material injury exists, anti-dumping duties will apply to any dumped television sets.

* * *

HOUSE OF COMMONS

COMMISSION ON MEMBERS' AMENITIES—INQUIRY AS TO REPORT

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I direct my question to the Prime Minister. The Prime Minister has informed the House that the Beaupré report has not been tabled because the translation is not yet complete. In view of the fact it has been in the hands of the government for three months and in view of the fact that the Canadian dollar is completely bilingual and speaks equally well in either language, will the Prime Minister consider tabling the report in English only?

Right Hon. P. E. Trudeau (Prime Minister): The information conveyed by the hon. member is not quite correct, Mr. Speaker. I understand that the translation is finished and that the report is now being printed. When it has been delivered to the government we will then see what steps can be taken, with the assistance of the opposition, to implement it or otherwise.

* * *

NATIONAL DEFENCE

ARMED FORCES—INQUIRY AS TO PAY INCREASES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the President of the Treasury Board, who has been neglected for some days. Can the minister indicate whether members of the Canadian Armed Forces will receive a pay raise before the end of this year?

[Mr. Sharp.]

Hon. C. M. Drury (President of the Treasury Board): As the House knows, Mr. Speaker, changes in pay are made on the recommendation of the Minister of National Defence. I can assure the hon. member that appropriate consideration will be given to all his recommendations.

* * *

CANADIAN BROADCASTING CORPORATION

REPORTING OF MINERAL DISCOVERY ON NEWS BROADCAST—ENCOURAGEMENT TO SPECULATION

Mr. Ian Watson (Laprairie): Mr. Speaker, I have a question for the Secretary of State. It relates to the CBC national television news broadcast at 11 p.m. on November 18 which devoted two or three minutes to a mineral discovery by a company which describes itself as a speculative mining adventure. The result was that the next day the price of the shares of the company increased by 60 per cent and well over one million shares were traded. I am informed—

Mr. Speaker: Order, please. Will the hon. member kindly ask his question; we are running short of time.

Mr. Watson: Will the minister entertain the suggestion that the Quebec or Ontario Securities Commission or another appropriate body be asked to investigate whether this kind of encouragement to speculation should be permitted on the national television network?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): The matter has already been brought to my attention, Mr. Speaker, and I had the opportunity to discuss it with the C.B.C. authorities. The hon. member's suggestion is new to me. It sounds interesting and I will consider it.

* * *

[*English*]

PENSIONS

OLD AGE SECURITY—AMOUNT TO BE ADDED UNDER FORMULA AS OF JANUARY, 1971

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. Has the government yet determined, under the formula set out in the regulations, the actual amount in dollars and cents that will be added to old age pensions in January under the 2 per cent provision? If so, when will this amount be announced?

Hon. John C. Munro (Minister of National Health and Welfare): As indicated yesterday, Mr. Speaker, I think the government will be in a position very shortly to announce its intentions to the House on this matter and the over-all income security field.

[*Translation*]

FISHERIES

CANADIAN SALTFISH CORPORATION POLICY RESPECTING PRICES TO FISHERMEN

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I should like to put a supplementary question to the Parliamentary Secretary to the Minister of Fisheries and Forestry.

[*English*]

Is it the policy of the Canadian Saltfish Corporation, with respect to which legislation was passed in this House last year, to prevent individual firms buying saltfish from Newfoundland fishermen at a price greater than that paid by the corporation?

[*Translation*]

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): Mr. Speaker, I will check the accuracy of the hon. member's statement and I will try to answer tomorrow.

* * *

[*English*]

HEALTH

REQUEST FOR WITHHOLDING OF BILL ON CIGARETTE ADVERTISING UNTIL TOBACCO CROP SOLD

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the fact that Ontario tobacco farmers are now selling their 1970 crop by auction, and that in past years pronouncements by the minister's department have adversely affected prices paid to farmers, will the minister consider withholding the introduction of his bill on cigarette advertising until this year's crop has been sold?

* * *

[*Translation*]

OIL

NATIONAL MARKETING POLICY—RIGHT OF PROVINCES TO REGULATE TRADE WITHIN THEIR OWN BOUNDARIES

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, in the absence of the hon. Minister of Energy, Mines and Resources, I will address my question to the right hon. Prime Minister.

In view of the announced policy of the National Energy Board to the effect that the Canadian market west of the Ottawa valley is open only to Canadian oil products, can the right hon. Prime Minister tell us whether this does not, in his opinion, represent a violation of the right of provinces to control commerce within their boundaries?

Mr. Speaker: The hon. member will recognize that he is inviting the right hon. Prime Minister to express an opinion in the field of constitutional interpretation. The question is therefore out of order.

[*English*]

EXTERNAL AFFAIRS

EAST PAKISTAN—ARRANGEMENTS FOR DISTRIBUTION OF CANADA'S EMERGENCY RELIEF CONTRIBUTION

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I wish to ask the Secretary of State for External Affairs whether he will answer today the question I asked yesterday concerning CIDA's arrangements for the effective distribution of Canada's $2 million emergency relief supplies to the East Pakistan cyclone survivors. Also, will he comment on the accuracy of CIDA's press release of November 20 stating that Canada's shipment of medical supplies contained, among other things, only 500 capsules of tetracycline, which I would point out to the minister is barely enough to treat 12 patients and costs only $5.82?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have sent eight National Defence aircraft from Trenton carrying approximately 125 tons of priority relief supplies. Another four flights are scheduled to depart by Saturday. They will contain very large quantities of medical supplies. If I could pronounce the names, I would give them to the House. However, I think Your Honour would stop me in any event.

On the specific point regarding cholera and typhoid vaccines, the fact is that these diseases are rare in Canada. They are so rare that the stocks we have of these vaccines are adequate for little more than our own requirements. These vaccines perish. After discussing this matter with the World Health Organization, they stated they could get the supplies more effectively from nearby sources rather than waiting for Canada to supply them.

Mr. Speaker: Order, please. The question period expired a few minutes ago. A supplementary might be allowed if there is consent, but I would also like the support of hon. members to recognize the hon. member for Gander-Twillingate who has shown commendable patience in trying to get the floor for a few days.

* * *

INQUIRY OF THE MINISTRY

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I wish to ask a question which has serious implications in respect of economic development and regional disparity on the east coast of Canada. Will the Minister of Supply and Services refer to the Privy Council for reconsideration the sale through Crown Assets Disposal Corporation of "One Crown-owned building formerly used as an outhouse, wood frame, approximately 10 feet by 7 feet"?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Orders of the day.

GOVERNMENT ORDERS

PUBLIC ORDER (TEMPORARY MEASURES) ACT, 1970

PROVISION OF EMERGENCY POWERS FOR PRESERVATION OF PUBLIC ORDER

The House resumed, from Tuesday, November 24, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-181, to provide temporary emergency powers for the preservation of public order in Canada, be read the third time and do pass.

And the amendment thereto of Mr. Lewis.

• (3:10 p.m.)

Mr. Ross Whicher (Bruce): Mr. Speaker, last night I had just begun giving my reasons for believing that the amendment proposed to Bill C-181 should be defeated.

It is true that this bill may adversely affect the civil liberties of many people in the province of Quebec. This is unfortunate; it has always been the case when such things take place. Only a few days ago the leader of the New Democratic Party (Mr. Douglas) spoke very eloquently on this theme. He gave as an example the situation of Japanese Canadians during the war and what had taken place on the west coast. He reminded us that these people had been interned and that after the war it was found that not one case could be shown of a Japanese Canadian being guilty of an offence against the war effort. We all agree with this and know it to be true. What the leader of the NDP neglected to point out, however, was that when this action took place, Canada was in danger—and when the country itself is in danger civil liberties must be forgotten to some extent.

What was done was most unfortunate. Certainly it was a dark day in the pages of Canadian history when these most loyal Canadian Japanese were interned. But I would impress upon you, Mr. Speaker, and upon all members of the House that we cannot gamble with the safety of 22 million Canadians at the present time by thinking about civil liberties when they effect only relatively few people. Of course, as I say, it is unfortunate. I know this Parliament and the provincial legislatures will do everything possible to see that civil liberties are not unduly interfered with. But Canada is too great a nation to allow the safety and the future of 22 million people to be endangered because of arguments based on the fact that up to the moment some 400 people have been jailed and not charged.

I would remind my friends to the left of this chamber who have opposed this legislation at every opportunity, that members of the FLQ are not a bunch of Sunday school teachers; they do not go to church every Sunday. They are people who have condoned bombing and murder. This, of course, is not in accordance with the way we live here in Canada. I point out too, that the vast majority of the people of Canada agree with what the government has done, and they agree with what the government is attempting to do now in replacing the War Measures Act by legislation which is at least not quite so trying.

[Mr. Speaker.]

All hon. members have to do is read their mail to find out that when the War Measures Act was passed in the first place, there were probably a thousand Communists in Canada opposed to it, a thousand supporters of the FLQ, 16 members of the New Democratic Party and one Tory. And 22 million Canadians were in favour of it. We cannot afford in any circumstances to gamble with the freedom of those 22 million Canadians. It is, of course, unfortunate that some people who may not be as guilty as the police have suggested they are, should be put in jail. It may take a few days or it may take a month before they come to trial, but eventually they will have their day in court.

In closing, I express the hope that hon. members to my left will stop this nonsense of bringing in amendments every hour and calling for a vote every day. We have important things to do in this Parliament. There are senior citizens who deserve a little better treatment in the form of increased pensions. Our veterans need higher pensions and allowances. There are many other tasks which remain to be done. Today the government is attempting to remove some of the hardship of the War Measures Act, and I ask hon. members to my left to show the dignity which their constituents expect them to use in this hallowed chamber and let us get on with the business of making Canada a better place for its citizens to live in.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I just would like to state briefly that I agree with this amendment which, in my opinion, should be examined seriously because of its contents.

It is quite inadmissible that a so-called democratic society could tolerate a system where culprits who have been members of an organization like the FLQ could be tracked down without time limit. We should think about this, because that is a precedent which may have disastrous consequences.

By approving the amendment under consideration we would be able to study more closely the implications of clause 8. At a time when we are in a certain state of panic due to the tragic events to which we have not yet found a solution and when minds are still overheated, we should not take steps that we would sorely regret later.

We should not give ground to future charges that Parliament has acted too quickly and too stringently, without thoughtfulness nor sense of responsibility. In any case, whether this emergency legislation is or is not implemented quickly, it will not give an ounce more of competence to those who normally should already have settled the problem which cropped up in October last. Adopting legislation bound to make the inalienable rights of the citizens very insecure will not speed up the discovery of Mr. Cross's kidnappers or of Mr. Laporte's murderers. We must therefore think coolly and most of all prove beyond doubt to those who precisely doubt Canadian democracy that we have a real democratic sense and that we do not wish to abuse our powers.

Hence, considering these few basic principles, it would be altogether reasonable and logical to send this clause

back to the committee of the whole House for revision and closer alignment with the democratic traditions of this country.

• (3:20 p.m.)

[*English*]

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): The question is on the amendment to the main motion. All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Call in the members.

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

• (3:30 p.m.)

Division

YEAS

Messrs.

Aiken
Alexander
Alkenbrack
Asselin
Baldwin
Barnett
Beaudoin
Bell
Benjamin
Burton
Cadieu
Comeau
Crouse
Danforth
Diefenbaker
Dinsdale
Dionne
Douglas (Nanaimo-Cowichan-The Islands)
Downey
Fairweather
Flemming
Forrestall
Fortin
Gauthier
Gilbert
Godin
Grills
Gundlock
Harding
Harkness
Horner
Howard (Skeena)
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
La Salle
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacEwan
MacInnis (Cape Breton-East Richmond)
MacLean
Macquarrie
MacRae
McCleave
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Marshall
Mather
Matte
Mazankowski
Monteith
Moore
Nesbitt
Nielsen
Noble
Nowlan
Nystrom
Orlikow
Paproski
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rose
Rowland
Ryan
Rynard
Saltsman
Schumacher
Scott
Simpson
Skoberg
Skoreyko
Southam
Stanfield
Stewart (Marquette)
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Woolliams—89.

NAYS

Messrs.

Anderson
Andras
Badanai
Barrett
Benson
Blouin
Borrie
Boulanger
Breau
Cafik
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corbin
Côté (Longueuil)
Crossman
Cullen
Cyr
Danson
Deachman
De Bané
Douglas (Assiniboia)
Drury
Dubé
Duquet
Émard
Éthier
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Goode
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harries
Hogarth
Howard (Okanagan Boundary)
Isabelle
Jerome
Kierans
Lachance
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
Mackasey
McBride
McIlraith
Mahoney
Major
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mongrain
Morison
Munro
Noël
Olson
Orange
Osler
Otto
Ouellet
Pelletier
Penner
Pepin
Perrault
Portelance
Prud'homme
Richard
Richardson
Roberts
Robinson
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Sharp
Smerchanski
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky

Public Order Act, 1970

Messrs:

Thomas (Maisonneuve-Rosemont)	Turner (Ottawa-Carleton)
Tolmie	Walker
Trudeau	Watson
Trudel	**Whicher**
Turner (London East)	Whiting
	Yanakis—115.

• (3:40 p.m.)

Mr. Speaker: I declare the amendment lost.

Some hon. Members: Question.

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

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I am sorry but there is really too much noise in the House—

Mr. Speaker: Order. The hon. member for Roberval has the floor.

Mr. Gauthier: Mr. Speaker, there were exclamations on the government side when I rose. However, I wish to point out that I have certainly not taken too much of the time of the House during this debate, since this is the first time that I speak to the subject. I listened patiently to the other hon. members and I hope that my colleagues will show me the same consideration.

We have things to say on this bill. Indeed, we shall introduce an amendment, if not several. We have not been able to do so until now because the procedure allows the other opposition parties to introduce as many amendments as they wish. As a consequence, the Ralliement créditiste could not participate in the debate to the same extent as the official opposition party or the New Democratic Party with their numerous amendments.

Mr. Speaker, we have now reached third reading of Bill C-181, which aims at replacing the War Measures Act invoked after the October events.

We supported the government then because we had no alternative in the circumstances. The government had promised to introduce in the House, as soon as possible, legislation to maintain public order in the event of circumstances similar to those we have just experienced.

We were therefore expecting permanent legislation which would have applied to the whole nation from Halifax to Vancouver.

We wanted a legislation with clear definitions and precise enforcement clauses. We are obliged to confess that, unfortunately, this is not the case and that our hopes did not materialize.

After the first reading of the bill, we carefully considered the government proposals because we hoped to use the study in committee of the whole as a means to oblige the government to rectify some of the monstrosities contained in its bill. However, this did not happen because the government group, behind its absolute majority, seemed to take a cunning delight in defeating with complacency all the amendments which could have improved certain parts of the bill.

[The Acting Speaker (Mr. Laniel).]

Everything was turned down flat, except for a few insignificant words. I listened and watched these developments and I did not see any reason even to vote because of the uselessness of these arguments since the government was determined to accept no change.

If I rise to speak today, it is not because I feel that I could make the government more congenial in view of the fact that the word was passed and orders will be fully and blindly obeyed as usual.

My only purpose is to reveal to the people the tactics used by the government to make us vote for Bill C-181, which we opposed in its present form, because it is not national in scope; it is only temporary and applies only to Quebec. Furthermore, it is not clear and it could undermine the very foundation of our legal system.

As members of the Canadian Parliament, the legislation we pass must be national in scope. We notice that this bill deals only with the FLQ movement in Quebec as if difficulties could erupt and FLQ demonstrations could take place only in Quebec.

However, we already have evidence to the contrary. Certainly all the provinces are not immune from the FLQ ideology since some people have already been arrested even in Ontario on parliament hill, in front of the peace tower.

I have seen with my own eyes signs bearing the words FLQ. We have seen them in British Colombia and even in England where one FLQ member just committed suicide.

Mr. Speaker, that one at least did not agree with the right hon. Prime Minister (Mr. Trudeau) on capital punishment.

In order to reach the Front de Libération du Québec, would it not have been more logical and particularly more realistic to propose measures to protect public order in Canada in general? Is it to be acknowledged that the word "Canada" excludes the province of Quebec? Those who drafted the measure probably had something against Quebec. They wanted all Canada to see that province explicitely named in a law.

Is this not simply discrimination? I cannot really find the spirit which moved the government to use such a procedure. On certain days, we would very much like to know what goes on in the mind of the right hon. Prime Minister. Besides, many on the government side ask themselves the same question. He appears to us as an elusive man with a thousand contradictions. At times, he frightens us.

Indeed, now he appears as the untiring protector of the laws of Quebec, now he multiplies opportunities and reasons to further interfere with jurisdictions previously reserved exclusively to the provinces.

I realized that when I heard him answer the hon. Leader of the Oppositon (Mr. Stanfield) in connection with the bill before us. The Leader of the Opposition, as recorded on page 1359 of *Hansard,* was asking whether the Prime Minister was prepared to support a provision for an independent review in the public order bill.

The Prime Minister then answered, and I quote:

I submit that the amendment proposed by the opposition along the lines of establishing such a commission would precisely be doing that, seeking confrontation with the province of Quebec in a matter of its jurisdiction—

What does the Prime Minister do with the jurisdiction of Quebec—which he has just cherished—in the areas of health, education and culture?

Assistance given by the federal government will be used as an excuse, but Quebeckers know that through taxes levied by the federal government they pay this so-called assistance ten times over.

I mention this because I consider that the causes which force the government to present this bill do not originate only in reprehensible acts by some members of the FLQ. It is therefore our duty, in our capacity as elected representatives of the people, to scrutinize this matter more exhaustively. I will add that it is up to this government to make a serious examination of its conscience, in order to determine whether its attitude towards the province of Quebec is not the main reason behind the dissatisfaction which is evident in that province.

Since the last general election, the Liberal government is giving the impression that it is doing its gest to provoke Quebeckers and keep them in line through fear.

Under the former Prime Minister, there had been a glimpse of hope for Quebec to recover its autonomy. In fact, the former Prime Minister had promised to eliminate all joint programs and to transfer back to the Quebec government all the taxation fields which had been temporarily granted to the federal government during the last war.

The Right Hon. Lester B. Pearson then recognized that Quebec was not a province like the others and this never prevented it from being one of the best partners in Confederation. But this dream was too good for Quebeckers, too expensive for Ottawa and too dangerous for high finance. This is why Mr. Pearson was obliged to leave his place to another not so diplomatic Prime Minister.

Unfortunately, once more it had to be a French Canadian who would take care of the dirty job of restraining Quebec's noble aspirations.

And of all contradictions, this Prime Minister is still pretending that Quebec is and must be a province like the others, like all English-speaking provinces.

In my opinion, the roots of the evil are this inflexible obstination. If you add to this an unbearable economic situation at all levels because of the double taxation, you know why there are so many rebels in Quebec.

We are against this bill because its application is only temporary. In fact, it will expire in April 1971 as if the government were sure that at that date all the FLQ members will have been eliminated or will have become Liberal supporters.

The War Measures Act was temporary. Now, we replace it with another temporary legislation. When shall we have a permanent legislation? Finally, we are against this bill because there is nothing clear, no accurate definition in it.

We still have to ask the government what they mean by "unlawful association" and that is why, seconded by the hon. member for Kamouraska (Mr. Dionne), I move the following amendment:

That Bill C-181 be not now read a third time but that it be referred back to the Committee of the Whole House for the purpose of reconsidering clause 3 as amended concerning the definition of the unlawful association.

• (4:10 p.m.)

We fear that this measure will be a blow to the basic principles of our legal system. So far, in the province of Quebec, the accused was deemed to be innocent as long as the Crown had not demonstrated that he was guilty. If Bill C-181 is passed, the accused in Quebec—and in Quebec only—will be deemed to be guilty as long as he has not demonstrated himself that he is innocent.

I consider this "overthrow" of our jurisprudence to be just as frightening as the overthrow of our system of government by an association of reactionary citizens. The whole thing is carried out in a very hush-hush fashion and this will make it even more harmful to Quebecers. It is just another gimmick designed to pump some more money into lawyers' pockets and to starve to death those indicted by the state.

Let us stop asking ourselves why there are so many rebels in Quebec. Oh, they may not all be revolutionaries ready to take up arms, but revolt lies deep in their hearts, and that is even worse.

Mr. Speaker, are those people solely responsible? I say no, because too often they have been betrayed by the members they elected. The Quebec people are a peaceful people; all they want is the right to lead their own life in Canada, not the kind of life dictated to them by the central government.

We know public order demands that the law be respected, and I am all for it. But, in return, the government must respect the rights of every individual. To live its own life fully Quebec needs all its financial resources. You may rest assured that with those resources and the return of the taxing powers the federal government sneaked away from it, Quebec will no longer come begging to Ottawa: it can then live happily, just like Ontario and the other Western provinces.

All this to say that Bill C-181 will not solve the case of the FLQ or bring peace back to Quebec.

The law will make it possible to put a few in jail, but most will go free. More than anybody else, I hope that the people will regain confidence in our institutions. It is the only way to restore peace.

I urge the government to give up the idea of resorting to repression and to act more sensibly. We are no longer living in the age of caves and ghettos, but in the age of dialogue and negotiation.

The reign of dictators is over and it is useless to try to return to those historical times. We must go back to the true democracy of government by the people and for the people.

Finance must be at man's service. Man must not be the slave of our rotten and outmoded financial system. We have been earnestly fighting here for years in the hope of bringing to reason government members who have always been the docile servants of big finance.

Once more, we urge them to help all workers, farmers, fathers, young people who are expecting from government members the opportunity to live a full life in their country, Canada.

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

[*English*]

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I rise merely for the purpose of saying that the amendment asks that Bill C-181 be not read a third time but be referred back to Committee of the Whole for the purpose of considering the definition of "unlawful association" contained in clause 3 thereof. We have serious reservations about the terms of clause 3. Our reservations are not those expressed by the hon. member who has just spoken. He is under the impression that this clause applies only to the province of Quebec. We take it to mean that it applies throughout Canada. The latter part of clause 3, as amended, beginning at line 9, reads as follows:

—or substantially the same governmental change within Canada with respect to the province of Quebec or its relationship to Canada as that advocated by the said le Front de Libération du Québec, is declared to be an unlawful association.

While we do not follow the logic of the member of the Ralliement Créditiste who has just spoken, nevertheless we think changes ought to be made to clause 3. We have taken particular objection, as we have said on other occasions, to the word "advocates". Clause 3 speaks of any group of persons or association that advocates the use of force. The term "advocates" is so broad that it could even cover an abstract, theoretical discussion of the necessity of using force in order to bring about separation of the province of Quebec from our confederation. We have felt all along that a term such as "incites" would be more specific and more restrictive.

For this reason we are inclined to support this amendment to send the bill back to the committee, because we think that clause 3 ought to be reviewed. Nevertheless, our reasons for so doing are not similar to those expressed by the previous speaker.

Mr. David MacDonald (Egmont): Mr. Speaker, without repeating the arguments I put before the House yesterday afternoon with regard to the whole process of making an association unlawful under the terms of the bill, while not agreeing with all the reasons put forward by the hon. member I believe that this clause is the nub of the legislation and is what makes it so reprehensible. Neither the Minister of Justice (Mr. Turner) nor the Prime Minister (Mr. Trudeau) has yet clearly indicated to the House or the country what the FLQ stands for or how, in all justice, this kind of legislation will work effectively in the province of Quebec or anywhere else. Because of that, I am led to support this amendment.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, even if I have examined the amendment to clause 3, there is still enough doubt in my mind for me to support the amendment that the bill be referred back to the committee of the whole.

I understand, as stated by the previous speaker, that the bill is applicable, according to its first draft, throughout Canada. However, the amendment, passed in the committee of the whole concerning page 3, line 8, after the word "Canada" where the following words are added: "with respect to the Province of Quebec or its relationship to Canada,", shall necessarily be included in clause 3. We should therefore logically refer the bill, as provided in the amendment, to the committee of the whole for thorough consideration and to enable it to give a more detailed definition of the terms "any association of Quebec."

I think it might be advisable to take a closer look at the possibility of widening the scope of this clause to provide for a similar situation eventually arising in another province of Canada.

The older among us well remember the famous Chaloult trial which took place during World War II. This good man, a member of the Quebec legislative assembly, had had the courage to express strong nationalistic opinions at a political meeting during the war. And under legislation which was not clear enough he was charged, brought to court, forced to defend himself, to secure the services of top notch lawyers, although he himself was a very famous one, in order to establish beyond doubt in court that he was not a revolutionary, that he had not intended inacting the population to say no to the requests of the government concerning the defence of freedom outside Canada.

He had simply wanted, as a good Canadian, to speak a language that had been heard quite often during the electoral campaigns of 1924, 1925, 1930, 1935 and 1939, to the effect that not a single French Canadian would ever be mobilized. He had simply repeated remarks which had been used quite often to invite the people of Quebec to place their confidence in a certain party.

I remember that I followed this trial with the greatest interest and this memory has burnt into my mind.

• (4:20 p.m.)

I am just wondering how this legislation will be interpreted when it will have to be enforced. Will it be possible, in some cases, to accuse a person who has good intentions, but may be more of a nationalist than others, and therefore may use more direct and more violent words? Would it then be possible, under clause 3 of the bill, under some pretext, to charge that person of inciting others to use force or commit a crime to reach some goals?

I feel that in the interest of the whole of Canada and also in the interest of justice itself, we should take the

trouble, as parliamentarians and responsible people, to reconsider this clause, taking into account the amendment that has just been moved.

When the hon. member for Roberval (Mr. Gauthier) rose a few minutes ago, I was very upset to note that some members were distressed. Yet, we are in parliament. If we take a close look at the word parliament, we find that it means a place where one can speak. If in our democratic parliamentary system, we have reached the point where it is a negative gesture aimed at extending the debate and at embarrassing the government when somebody rises to express his view—thus to speak—I wonder where we are heading for.

Being fully aware of the dignity and the ability of the member for Roberval, I am convinced that, like all other members, he does not wish to extend the debate deliberately.

As I was among responsible people, I have been accustomed, from a very early age, to assuming my responsibilities. I consider that one should play when it is time to play and work when it is time to work. Indeed, one should take things seriously when it is time to do so.

It is therefore our duty to review the clause thoughtfully, in an effort to improve it, to bring it more into line with our traditions and to give more protection to the freedom of those, still in a very great majority in Canada and particularly in Quebec, who are imbued with the principle of respect for the freedom of others.

Mr. René Matte (Champlain): Mr. Speaker, I wish to emphasize, at the beginning of my speech, the realism, the clarity and the lucidity of the remarks made by my colleague, the hon. member for Roberval (Mr. Gauthier), when the amendment before us was introduced. In my opinion, he made the most remarkable speech that we have heard since we started discussing the War Measures Act, for he pointed out that it was essential to proceed methodically and without too much haste in passing legislation which can rightly be applied not only today, but also in the month of April, or later if necessary.

• (4:30 p.m.)

The urgency of this emergency measure should not overly alarm us because if, in fact, with all the strengh and force of the war measures, the police are not bright enough to look in closets to find the kidnappers, it is not the passage of this emergency act that will ensure greater success. There is therefore no urgency to pass this emergency act.

However we can take this opportunity to adopt a measure which might be quite useful to the government when it decides to introduce permanent legislation on the matter.

In today's *Le Devoir* may be found an article by Karl Lewitt, associate professor of economics at McGill University, which I would like to quote:

> Should I remind you that invoking the War Measures Act has neither saved the life of Pierre Laporte nor obtained the release of James Cross nor hastened the arrest of the abductors and murderers; this Act was not needed to move the RCMP and the army into Montreal, nor to deliver all the warrants required under the Criminal Code, nor to search everywhere and question all suspects. Still we are entitled to know exactly why the War Measures Act was invoked. Whatever the Prime Minister may say, those reasons remain inconspicuous.
>
> Of all the more serious arguments handed out by government leaders when the country became panic-stricken, there was this "apprehended insurrection" and "wearing away of the people's will in Quebec". No evidence has yet been given to support either of these allegations; therefore, we have to take their word for it. And this brings us back to question the reliability, the integrity and the motivations of the politicians concerned.
>
> Therefore, this is only a matter of opinion; the authorities did not leave us much choice.

When we, during the most tragical events of October, were called upon to pass the War Measures Act, we then took the word of the government and its leader, the right hon. Prime Minister (Mr. Trudeau), who said he had every reason to believe that the War Measures Act was necessary.

More than one month has gone by and we are now inclined to believe that his reasons were not justified.

This is why, now that we are going to pass a legislation which aims at putting an end to violence, we must not give any chance to those responsible for violence or those who would be tempted to use it.

With the situation prevailing in Canada, and especially in Quebec, we cannot afford to insult Quebecers, and this is what will happen if clause 3, as amended Monday, is left in the act.

Clause 3, which defines the illegal association, may be interpreted in numerous ways, as I mentioned last Monday. My colleague the hon. member for Bellechasse (Mr. Lambert) just mentioned, with concrete examples to support it, that the government could even go as far as jailing all those who would fail to please them, if they were to abuse their power.

This is what we want to prevent. We must avoid by all means giving to those who are ready to resort to violence—but who have not yet done so—new motives to use violent means. This is why we must quietly and reasonably attempt to embody in equitable legislation ways and means to put an end to violent confrontations.

Mr. Speaker, we are being told that violence is not the prerogative of the province of Quebec but the government went as far as to accept, Monday last, an amendment designed to pinpoint the type of offence covered by the bill, namely "Canada with respect to the province of Quebec or its relationship to Canada". In my view, it is quite clear that this provision is only designed to establish whether the FLQ acted in Canada or not. If the FLQ acted in Canada, then let us pass an act that applies to Canada. To my mind, the argument is very simple.

By making that distinction, making that reservation in Clause 3 of the bill, and the preamble, it is implicitly recognized that the act applies only to Quebec. One of the objectives of the FLQ is recognized in part. I think we must pass an act that applies throughout Canada, because by saying that the FLQ exists not in Canada, but in Quebec, we recognize the separation of Quebec. Let us

admit one of two things: that the possibility of the secession of Quebec is imminent, or that the FLQ is acting in Canada. That is the alternative facing the government when it persists in stating specifically that it is meant for Quebec.

The more so as Clause 3 is vague in many regards, namely where it stipulates, and I quote:

—in accomplishing the same or substantially the same governmental change—

Well, Mr. Speaker, this point has to be cleared up.

In Quebec, on April 29, 700,000 people voted PQ. If we were to convict people because of their aims, we would have quite an extraordinary case of abuse which could lead the government to take away all possibilities of constitutional emancipation for Quebec.

We must therefore take that into consideration, weigh each word and evaluate properly the scope of the clauses of this act to provide emergency powers.

Mr. Speaker, in Quebec, not so long ago, the leader of a party nearly still-born, the Christian Nationalist Party, was stealing paintings or had them stolen on the ground that christianism must be saveguarded in Quebec. It is quite laudable to want the expansion of christianism, the protection of religion and confessionality in schools, but if we resort to stealing and to violence to attain such a purpose, this is inadmissible, no matter how good the purpose can be.

• (4:40 p.m.)

This is why, when we say that the movement or the association become unlawful, provided they seek the same ends as the FLQ, we allow abuse of power. And when we know that our government at the present time is very close to dictatorship, we do fear that this insignificant emergency legislation might be used in order to control Quebec once and for all and to prevent its true emancipation and development.

Therefore there are truly several reasons for requesting a more complete and more responsible study of clause 3. It is not because we have to put an immediate end to terrorist activities in Canada that we should pass meaningless legislation.

As I said at the outset of my remarks, the War Measures Act is still in effect and it is a lot more efficient than the bill under consideration. If we do not succeed in arresting the offenders under the War Measures Act, what would be the use of a much less efficient legislation. All the more so, Mr. Speaker, since trouble is not restricted to Quebec. My colleague, the hon. member for Bellechasse (Mr. Lambert), has just told us about what happened in the House last year when a group of young ladies or women tied down to their seats came here to disrupt order. As far as I know, they were not from Quebec. On the contrary, most of them came from the other end of the country, which shows that trouble can erupt anywhere. I do not want to impute motives to anyone but I wonder what would happen had these ladies been from Quebec.

Others besides Quebeckers have also been the source of trouble. As an example I will mention what happened at Sir George Williams University in Montreal where damages amounted to several million dollars. Once again, those involved were not necessarily Quebeckers, members of the FLQ.

Therefore, this emergency act should enable to determine which organizations it is essential to treat rigorously in order to check any violence, regardless of its goals. Clause 3 implies, as I said Monday, that if an association uses force and violence to strengthen Canadian federalism, it would pursue a commendable goal, since clause 3 specifies that it is necessary that the goal of the indicted association be identical with that of the FLQ. There is clearly something irrational in that clause. That is why I strongly and whole-heartedly support the amendment moved by the hon. member for Roberval.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I will be brief and precise in my remarks, I hope, concerning the object of the amendment moved by my friends of the Ralliement Créditiste. They suggest in the wording of their amendment that clause 3 restricts the application of this act to the province of Quebec. They refer to words which were added a few days ago, in committee, to clause 3, namely those concerning the province of Quebec or its relationship to Canada. Those words appeared and still appear in the second paragraph of the preamble. They do not restrict geographically the implementation of the act, but they specify the definition of the FLQ with regard to its aims and objectives.

As a further precision, this legislation will apply throughout Canada. Its application will not be geographically restricted to Quebec. The law will be applicable by the Attorney general of Ontario, by the Quebec Minister of Justice or by the Attorney general of British Columbia, against the FLQ or any other association with the same objectives as the FLQ, namely the overthrowing by force or by crime of the Quebec government in relation to the rest of Canada.

The field of application of this legislation is not limited to Quebec but is aimed at the FLQ. This is a most specific legislation. As the member for Champlain (M. Matte) said, the government will have to look more fully into the problem of violence or of the use of force in our society.

I am trying to prove to the satisfaction of my friends opposite that the amendment recently adopted has brought about no essential change. I explained that point to the hon. member for Nanaimo-Cowichan The Islands (Mr. Douglas), to the hon. member for York South (Mr. Lewis) and to the hon. member for Calgary North (Mr. Woolliams). They were under the impression that clause 3 was not clear enough as concerns the aims and objectives of the FLQ.

Therefore, to clear up the matter, I thought advisable to add the words in the preambule. I believe that was unnecessary, since under the Interpretation Act, the preamble is included in the interpretation of other parts of the statute.

I should like to refer the house to section 12 of the Interpretation Act, contained in the 1967-68 Statutes of Canada. It reads as follows:

> The preamble of an enactment shall be read as a part thereof intended to assist in explaining its purport and object.

Therefore, the act is clear, even without the amendment made at the suggestion of the hon. member for York South. The legislation had to be clarified. To satisfy the claims of the hon. member, I proposed the addition of those words, and I want to give the mover of this amendment the assurance that I have in no way changed the essence of his proposal. It is simply a question of clarification.

To make myself clear about the advice I get from the legal advisers in the Department of Justice, I say again that, of course, this legislation will apply all over Canada. It is aimed at the FLQ, and this, throughout Canada.

I recognize that the hon. members on the other side may have experienced some interpretation problems, but I want them to be sure of the good faith of the government as regards this amendment.

[*English*]

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, may I on behalf of the official opposition, make it very clear at the outset that we reject the amendment that has been proposed. I should like to explain why we reject it. Clause 3, as amended, deals primarily with the organization known as le Front de Libération du Québec. It is obvious from any of the facts about this organization that have come to our attention that it fits all the elements of what has become the twentieth century classic terrorist organization. For one thing, it does not hold public meetings; its work is clandestine. As far as anybody is aware, there are no doves in this organization and no philosophers advocating peaceful means. Its arguments are conducted at the point of a gun used against people whose hands are tied behind their backs. It uses terror tactics purely and simply. It steals dynamite to use the same. It steals guns to use the same. It preaches force.

All these things are known about this organization. Anybody who wants to loiter and become part of one of its cells or part of its whole philosophy is, therefore, motivated by one reason alone—the notion of terror appeals to that person. It is as simple as that. Why doubts are expressed—and doubts that are pretty far off target and illogical—is beyond me. You could ask Jasper Cross—when he moved from Halifax to Montreal they came to call him James Cross—just what the FLQ is, and he would tell you. You could also have asked Mr. Laporte before he was murdered by the FLQ. I reject absolutely and out of hand any suggestion that clause 3 does not, in as specific a way as possible, represent what we in this Parliament are after, which is to come to grips with this terrorist organization. It is not a terrorist organization that was at work in czarist Russia or in the miserable thirties and forties in some European countries; it is one that is alive, very much alive, and at work in Canada today.

I say that the definition contained in the bill is as reasonable an approach as a legal draftsman could make to identify the group that we are after. It must be effective, because several people have already pleaded guilty to being members of the FLQ and have been sentenced to 15 months' imprisonment. They must have known what they were about when they made that decision. I think there are safeguards. If somebody is picked up and wrongfully accused of association with the group, in due course a trial will be held and that person will be found not guilty.

• (4:50 p.m.)

There may be a little oversensitivity because it does appear there is maladministration of the regulations under the War Measures Act. There is some question whether the rights of people are being respected by the police. But those things can be straightened out in time. Above all, what we have to consider now is that there is a problem to be met in Canada. That problem involves the rooting and stamping out of a terrorist organization. For those reasons, on behalf of the official opposition—I want to make that very clear, particularly to the people of the press—let me say we reject the amendment that is now proffered.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, the line taken today by the Créditiste members on the amendment moved by the hon. member for Roberval (M. Gauthier) is a symbolic gesture aimed at making the voice of the province of Quebec heard in the House on the problem now facing our country.

We wish our hon. colleagues and the Minister of Justice (M. Turner) to realize that the problem which has recently plagued a part of our province will probably go down in history as the "October events". This was not only a Quebec problem but a full-fledged Canadian national issue.

With patience and very often with impatience, I listened to the speeches of my colleagues of other parties. At times, I felt like rising to energetically protest against the insidious way of exaggerating the importance of problems in Quebec. In short, the intent was to present Quebecers as trouble makers, which is absolutely untrue.

My fellow citizens in Quebec want peace. They are against violence and the excessive use of force and that is why the mouthpiece of Quebec, the Ralliement Créditiste, sincerely supported the proclamation of the War Measures Act when the right hon. Prime Minister (Mr. Trudeau) moved it at the height of the crisis. We gave our support in good faith because we were aware of the major problems facing Quebec.

Today, we are proud of having held out against anarchists and terrorists and those who want to overthrow the government by undemocratic methods.

Today, one month after the passage of the War Measures Act, one month after the death of a renowned Quebec statesman and the kidnapping of an equally

renowned British diplomat, we ask ourselves if the Prime Minister has not taken advantage of the tragic events in Quebec to make it look to other Canadians as a province not like the others which is difficult to control and which one day will have to be subdued, muzzled and put in its place once and for all, in order to restore peace.

It is a serene spirit that in the course of this debate today we wish to submit the following argument in connection with clause 3.

The hon. Minister of Justice (Mr. Turner) said earlier that it was to please our colleagues of the New Democratic and Progressive Conservative parties that he had repeated in clause 3, by means of an amendment, what was stated in the preamble.

In doing so, he has displeased us much as he has repeated in clause 3 the provisions of the bill that we did not like.

The preamble stated that it was intended to declare illegal the association known as Le Front de Libération du Québec because it was a threat to public order. That is quite clear, Mr. Speaker, it means Quebec.

Besides, one can read, and I quote:

—who advocate the use of force or the commission of crime as a means of accomplishing governmental change within Canada with respect to the province of Quebec—

It does not concern the province of Ontario, British Columbia nor New Brunswick. It is clearly stated here twice that it is "with respect to the province of Quebec". I go on quoting:

—or its relationship to Canada—

The War Measures Act was applied when the trouble started in order to settle once for all the problems in Quebec and to restore public order there.

The Creditistes unreservedly supported this act because these were major problems, because it was necessary to regain control of the situation, because we lacked information and because the right hon. Prime Minister could only say that there existed in Quebec a state of "apprehended insurrection".

• (5:00 p.m.)

Today—as pointed out by my colleague from Champlain (Mr. Matte)—we are still wondering what that state of insurrection was? What were the motives, the reasons, the evidence, the assumptions on which the Prime Minister (Mr. Trudeau) could rely to say to the government of Quebec, to the city of Montreal, that there really was a state of insurrection in Quebec? I do not say there was not, but we are entitled to know the real reasons that made the application of the War Measures Act necessary, to maintain order in Quebec.

A month has gone by since that act was invoked, but we have neither saved the life of Pierre Laporte nor found James Richard Cross.

Does the state of insurrection still exist in Quebec?

Mr. Speaker, the game has been lost, as far as the War Measures Act is concerned, because the government did not take the proper action. They panicked, created tension in Quebec and raised a national storm to show all Canada that they were justified in subduing Quebec once and for all. We are hurt, as Quebecers, to find the name of our province continuously coming up in the bill and to see that once more the problem is confined solely to Quebec.

A month has gone by since the War Measures Act was brought into force. However, at the time it was passed, it was fully agreed that it would remain in force only temporarily and that it would be replaced by permanent legislation in the near future. Instead of permanent legislation, the government is introducing another temporary measure to replace the first, on the grounds that there had not been time to draft a permanent one.

In all fairness, I must say that the Prime Minister sent a letter to all party leaders asking them for suggestions for the drafting of a permanent legislation. None of the suggestions made by the Créditists was accepted. Our leader made suggestions for the drafting of a permanent law, but they were disregarded.

The suggestions made by other party leaders were also brushed aside. In order to conceal its inaction, its incompetence, and to justify the dictatorial means used to subdue Quebec, the government told that province: We are applying the War Measures Act, we are bringing in the Army and we will do even better and act more sensibly once a permanent law is adopted. This legislation has not been introduced yet. It is quite possible that it will not be during this session. Since we have no guarantee that it will be introduced, we must be content with an inadequate and unfair legislation that repeat the mistake of the War Measures Act and applies only to Quebec.

This is what I find revolting as a Quebec federalist: an attempt to condemn an unlawful association in Quebec because it questions the status of the province of Quebec with regard to its relationship to Canada, implicitly means that the Canadian government uses the law to impose on Quebecers, regardless of their political party, the constitutional framework in which they must live. Under such a law, they are told: You are going to live under this set-up or you will be subject to convictions under the War Measures Act for the preservation of public order. And this, under the pretext that they are not using democratic means to achieve their purpose.

Agitation is not confined to Quebec and Quebec is not the only place where people are asking questions about the constitution. It is not only in Quebec that people resort to violence in desperation because of unemployment, misery and lack of welfare.

This bill deals with none of these problems but only calls the attention of Canadians to the problems of Quebec instead of striking at the root of terrorism in Quebec, which we deeply regret.

Instead of bearing down on the underlying causes of this evil, the government says: "We shall subdue you, break you, muzzle you! We shall even go as far as

making this legislation retroactive so as to reach all the trouble-makers who may have disturbed public order."

Mr. Speaker, we are saying that the government, in this respect, lacks good faith. And I wish to tell the hon. Minister of Justice and my colleagues that we from Quebec, while we strongly oppose violence, also oppose this government's misuse of power. We stand against violence and force. We supported the War Measures Act but we disapprove of this kind of provocation on the part of a government which, because of its inability to act is spreading poverty, hardship and despair among our people, to such an extent that this is unfortunately but the beginning of terrorism.

Mr. Speaker, there are twice as many university graduates as there are jobs available. What shall we do tomorrow with those young people? God knows.

Mr. Speaker, those young people are desperate, and the government, instead of coping with real problems, beguiles the people with supposedly severe crises, with war measures acts, or with the use of excessive powers, so that tomorrow, if the troubles go on, we will be told again that Quebec is the trouble-maker in confederation.

Mr. Speaker, this attitude is quite unjust and provoking to my fellow citizens of Quebec, who are not violent, who do not want to use force, but who want to have valid and reasonable motives for remaining within the Canadian confederation. As a Quebec federalist, it is difficult for me to make my fellow Quebecers understand that confederation is viable and that life within its framework is pleasant, when one sees a government provoke these people and take advantage of a crisis, no matter how minor, to show off its strength and give orders to its Quebec servant.

Mr. Speaker, I would now like to conclude my remarks. We approve the strong measures to condemn revolutionaries and put some order in Quebec. We are prepared to support the government in its efforts to restore public order in Canada. However, we disagree when it wants to confine the problem to Quebec, and say very clearly in its bill that the problem of terrorism only exists in Quebec, for this is untrue.

When the government wants to make us believe through its bill that revolutionaries exist only in Quebec, this is also untrue, even though the minister states that this bill applies to the whole of Canada. But, if this is true, Mr. Speaker, as he is now suggesting by shaking his head, that he only deletes the expression "Province of Quebec", and that he no longer names the province of Quebec in this bill, then he will have our full support, as he had on the proclamation of the War Measures Act. But as long as he wants to confine the terrorists, the revolutionaries, the bearded ones and the trouble-makers to Quebec, we will not agree, because this is provoking for us, and unjust for the Quebecers. There are problems not only in Quebec, but throughout Canada, from time to time.

Mr. Speaker, if the Minister of Justice does not want to reconsider his position, if he absolutely wants to "frame" Quebec and refuses to admit that difficulties can exist elsewhere in Canada, not only does he fail to solve the problem, but he risks to bring about a revival of terrorism, violence and force.

When the first bombs exploded, the government was much alarmed. When they kept on exploding, the government did nothing. When the Company of Young Canadians started to pay its expenses out of the public funds, the government did nothing. When Mr. Saulnier from Montreal came here and said to the government: It is time you acted in Quebec, that you came to the assistance of the City of Montreal to restore order, and that you stop financing the revolution in Quebec. The government answered: No, that is untrue, that is nonsense, Saulnier is wrong.

• (5:10 p.m.)

But today we realize that the government did not act in time, so that the cause of unrest in Quebec, including terrorism, is not necessarily the constitutional framework but indeed the economic problem, which the government has made worse, brought about, so that at a given time it led people to resort to violence.

Mr. Speaker, terrorism in Quebec is a national disgrace, just as the CBC is also a national disgrace. It is unfortunate that the government should be trying to make us believe the issue is confined to Quebec. Therefore today, in this debate which we purport to be symbolic, we want the voice of Quebec, the voice of reason, to be heard in order that our colleagues here who represent all Canada may think and realize that the problem facing Quebec is not confined to Quebec, but is a national problem. It should be understood that when there is a problem in British Columbia, Quebec feels its impact and sometimes suffer from it.

We would like to ask the government to show the same broadmindness, the same understanding towards Quebec's problems, and especially, we would like to call its attention to these problems. For example, a 14 per cent rate of unemployment is forecast for the Maritime Provinces and Quebec, while it will be only 7 per cent in Ontario. Why, Mr. Speaker? For the last 15 years, in Quebec, the unemployment rate has been over 4 per cent, it has always been 20 or 40 per cent higher...

The Acting Speaker (Mr. Laniel): Order. The chair feels the hon. member is getting further away from the subject matter of the amendment before us, which, in short, proposes that the bill be referred back to the Committee of the Whole, in order that the definition of "unlawful association" be considered. During his speech, the hon. member has been allowed to digress so that he may prove some particular points but it seems that at present he is discussing the whole problem of Canada, which is contrary to the rules.

Mr. Fortin: Mr. Speaker, I just wanted to prove in a few seconds that the economic problem of Quebec is the

underlying cause of the evil which has befallen us, that this problem does not exist only in Quebec but also in the other provinces. So long as the government will not tackle seriously the real issue, superficial problems will keep worsening which might endanger law and order.

Mr. Guay (Lévis): Mr. Speaker, if the hon. member continues the government will never be able to tackle them.

Mr. Fortin: Mr. Speaker, the members opposite interrupt me. I would like to end my remarks by saying that Quebec is a "province like the others" which wants to get its just share and which wants to make efforts to this end. Quebec is fed up with being treated as a "province not like the others", as the province of agitators. Quebec has no monopoly on disorder.

This is why we regret that this bill is aimed only at the FLQ or at Quebec terrorism because terrorism is not a phenomenon peculiar to Quebec. Indeed, it did not grow there like a mushroom but it was brought by foreign people, on account of the Immigration Act which comes under the federal government and which is bad. Moreover, terrorism exists for all sorts of economical, political and social reasons.

Mr. Speaker, we ask our colleagues from the other provinces to show for our problems the same broadness of mind we showed for theirs.

Once again I ask the minister whether this legislation actually applies to the whole of Canada as he says. If such is the case, he should delete the word "Quebec" and stop naming that province because this induces all Canadians to think that if we were not there, everything would go smoothly in the country. This is too bad, but Quebec will continue living within Canada and Canada will still have to put up with Quebec.

If we really want Quebec's status in relation to Canada to remain unchanged, let us act as true Canadians and not as bigots, and let us not make distinctions because we do not speak the same language. French-speaking and English-speaking Canadians want to build Canada, not pull it apart. Let us open our minds and stop provoking people.

I intend to vote against this bill because, all in all, it amounts to about the same as the War Measures Act, because it has approximately the same provisional character, because it is based on false pretences and, above all, because it merely repeats the error made with the War Measures Act, i.e. apparently confining the problem to Quebec.

That is why we are asking for a new definition of the terms "unlawful association", "terrorist" and "terrorist association" in order that the problem be no longer limited to Quebec only and that it may be extended to all of Canada. Each and every Canadian must try and find a solution to the problem now facing Quebec.

[Mr. Fortin.]

[*English*]

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): The question is on the amendment to the main motion. All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Call in the members.

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

• (5:20 p.m.)

YEAS

Messrs.

Barnett
Beaudoin
Benjamin
Burton
Dionne
Douglas (Nanaimo-Cowichan-The Islands)
Fortin
Gauthier
Gilbert
Godin
Howard (Skeena)
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
La Salle
Latulippe
Lewis
MacDonald (Egmont)
Mather
Matte
Nystrom
Orlikow
Peters
Rodrigue
Rose
Rowland
Saltsman
Skoberg
Thomson (Battleford-Kindersley)—28.

NAYS

Messrs.

Aiken
Alexander
Anderson
Asselin
Badanai
Baldwin
Barrett
Bell
Benson
Blouin
Borrie
Boulanger
Breau
Cadieu
Cafik
Carter
Chappell
Chrétien
Clermont
Cobbe
Comeau
Comtois
Corbin
Côté (Richelieu)
Crossman
Crouse
Cullen
Cyr

Messrs:

Danforth
Deachman
De Bané
Dinsdale
Douglas (Assiniboia)
Downey
Dubé
Duquet
Éthier
Fairweather
Faulkner
Flemming
Forest
Forget
Forrestall
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Goode
Goyer
Gray
Grills
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Gundlock
Haidasz
Harkness
Harries
Hogarth
Horner
Howard (Okanagan Boundary)
Isabelle
Jerome
Kierans
Knowles (Norfolk-Haldimand)
Korchinski
Lachance
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lind
Loiselle
Lundrigan
MacEwan
MacInnis (Cape Breton-East Richmond)
MacLean
Macquarrie
MacRae
McBride
McCleave
McCutcheon
McGrath
McIlraith
McIntosh
McKinley
McQuaid
Mahoney
Major
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Marshall
Mazankowski
Monteith
Morison
Munro
Murphy
Nesbitt
Nielsen
Noble
Nowlan
Orange
Osler
Otto
Ouellet
Paproski
Peddle
Pelletier
Penner
Pepin
Perrault
Portelance
Pringle
Prud'homme
Ricard
Richard
Ritchie
Roberts
Robinson
Rock
Roy (Laval)
Ryan
Rynard
Schumacher
Scott
Sharp
Simpson
Skoreyko
Smerchanski
Southam
Stafford
Stanbury
Stanfield
Stewart (Marquette)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Thomas (Moncton)
Thompson (Red Deer)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Valade
Walker
Watson
Whelan
Whicher
Whiting
Woolliams
Yanakis—160.

Division

• (5:40 p.m.)

Mr. Speaker: I declare the amendment lost.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I was very interested in the debate in Committee of the Whole and the debate on the amendments moved during the third reading stage of this bill. I listened with particular interest to the last speaker. He discussed one of the amendments in terms of the relationship of this bill to the province of Quebec. Most members have had to consider in the last few weeks the reluctance by members from the province of Quebec to make a decision or indicate to this House problems with which they are familiar; they were willing to shout across the floor of the chamber indicating that other members were not familiar with the problems.

I feel sorry for the people of Quebec. They have found their government wanting. The government of that province cannot conduct its ordinary affairs. The Quebec provincial police are wanting. There is no cohesion in the metropolitan police force of Montreal. There is no unity among those police forces. There are in this House approximately 75 representatives from the province of Quebec. I am sure in the last six weeks they have been very concerned about the problems in their province. However, many of those members have not done anything in the House other than to vote or speak from their seats. The people of Quebec must have been shocked when their government, which was elected only a short time ago, had to ask for federal police to deal with a police strike situation. I am sure they were not proud of the fact that federal troops had to be called in to deal with the problem of strike action. The Minister of Justice (Mr. Turner) is willing to give great power to the Quebec system of justice. However, it has not operated in the normal sense that the citizens of the province expect.

I sympathize with the hon. member for Lotbinière (Mr. Fortin). He stated that as a member from Quebec it was his impression that this bill is directed entirely against his province. While the minister will say that is not correct, and I agree with him, it does indicate the feeling of most of the citizens of Quebec, namely, that this matter has been treated as a political problem. In the first place there was considered to be an insurrection. This legislation indicates that there was an apprehended insurrection in the province of Quebec. Everyone in the country now knows this is not true. The "minister of regional disparity" indicated that 3,000 or more persons in high places and elsewhere were involved in this insurrection. The Minister of Justice has had the full powers of our national police force and the police forces in the province of Quebec, as well as 6,000 or 7,000 troops. Thousands of raids were made which resulted in hundreds of arrests. The minister has now indicated that not more than 150 people are involved. Probably a lot less people than that are involved.

Most people feel that when the two Rose brothers, Simard and four or five other people are apprehended, the insurrection in Quebec will cease. If that is true, why are the members from Quebec not demanding that the

federal government help the province of Quebec to eliminate these problems? Obviously, Scotland Yard, Interpol, the United States police and international police forces are at the beck and call of the federal police in Canada. Not too long ago they received assistance from these police forces to help strengthen security in this country.

The members from Quebec should make this type of request to the federal government, rather than just participating in votes. They should do something positive and constructive. I have talked with a number of people from Quebec who are not interested in politics. They do not care about the political structure of Quebec or, for that matter, of Canada. Nevertheless, they are very proud of being citizens of Quebec, they are very proud of being citizens of Montreal and they are very ashamed that their police forces do not seem to be able to do the normal job of police operations which is expected in other places.

• (5:50 p.m.)

It is all very well for the hon. member for Bruce (Mr. Whicher) to say that when 22 million Canadians are in danger of something, perhaps loss of liberty, it is time some people gave up a portion of their liberty so that the rest of the people could enjoy it. Mr. Speaker, every dictator in the world has always said: Give me power; I will only need it for a short time and I will clear up the mess and make it safe for you to walk in the streets. Dictators are always promising to make their countries safe by taking away the liberties of the people. This is not what Canadians want. This, surely, is not what the people of Quebec want. I am shocked that the Quebec members should sit in their seats and, worse still, vote for anything the government presents to them.

There have not been many really strong people from the province of Quebec in the federal field, at least since I have been in this House. They come here to vote, not to put forward ideas. I was pleased to hear the hon. member for Lotbinière say this afternoon that as a Member of Parliament and as a citizen of Quebec he did not want Quebec to be treated differently from the other provinces. I am sure most of the people of Quebec are not looking for different treatment.

The legislation before us is repugnant to everyone who thinks about it. Some members are inclined to take the view: We are not in Quebec and this law will apply especially to Quebec. It will not hurt me or the people I represent, so we shall not do a damned thing about it; let us not worry about whether anyone else gets hurt. The people of Quebec will revolt eventually against the treatment they have received over the years. It is all very well for the "minister of regional disparity" to say that FRAP is a terrible organization, that it is part of the insurrection. This was one of the reasons for the implementation of the War Measures Act in the first place.

I was surprised when I first came to this House, because I was new and did not know much about these things, to note that the last time we used the War Measures Act we allowed Camillien Houde to get out of gaol and he was elected in Montreal with a huge majority.

Other Canadians were also surprised. But I was not surprised a few weeks ago when not one person was elected to the Montreal council in opposition to Mayor Drapeau.

Let us suppose the "minister of regional disparity" was right in assuming that some of the FRAP candidates were people who should not have been elected; I do not know. Can he tell me that there is not one person among those who stood for election from that party who would not have been suitable for office, who would not have had the good of the city at heart? Was it only the people who supported Mr. Drapeau who should have stood? After all, many of the things which have been done, or neglected, by the present administration of Montreal have not been especially advantageous to the people of that city. There are the slums, for example. There are many other social problems. But they could have Expo, which cost us $300 million, a sum we gladly donated to that cause. And Mayor Drapeau is now working to get the Olympics for Montreal. I said in this House that this would cost us $50 million, but one of my friends who knows something about sports said $50 million would not cover the expenses of the last two countries in which the games were held, so the cost to the Canadian people will probably be considerably more.

An hon. Member: Could the hon. member speak to the motion?

Mr. Peters: The hon. member who interrupted me has not been here very long and his knowledge of the rules is about as wide as his knowledge of most of the other topics I have heard him discuss. But even he will understand that Quebec is faced with the task of cleaning-up the terrorism experienced in the province, particularly in Montreal, for many years. I do not want to be unfair to Montreal.

Some hon. Members: Oh, oh!

Mr. Peters: As usual, all members opposite do is make a noise. Most Canadians find Montreal an amusing city to visit, a city where things are a little different. It is also Canada's largest city; this is a fact which many of us do not realize. A city of two million inhabitants is not easily policed, no matter how good the police force may be. It is not unusual in a city of this size that there should be 60 or 70 murders a year.

In passing this legislation we are not doing a service to the people of Quebec. We may be doing a service to the government of Quebec or to the Mayor of Montreal. But the citizens of Montreal want to clean-up their city. They want to build a police force sufficiently trained to handle the terrorism which has been practiced by half a dozen young political terrorists bent on destroying the political institutions of the province. There are economic problems in Quebec which the representatives of that province have not brought to the attention of the House.

Mr. Speaker: Order. Is the Minister of Justice (Mr. Turner) rising on a point of order?

Mr. Turner (Ottawa-Carleton): I wonder whether there would be any disposition, if there were a possibility of concluding this debate within an hour, to sit for that length of time.

Mr. Bell: As always in these debates, we have been willing to sit late in order to make progress and we would certainly be willing to do so tonight.

Some hon. Members: Hear, hear!

Public Order Act, 1970

Mr. Speaker: If we are to sit beyond six o'clock it would require the unanimous agreement of the House. Is there such agreement?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimity. This House stands adjourned until tomorrow afternoon at two o'clock.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, November 26, 1970

The House met at 2 p.m.

NEW MEMBERS

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer certificates of the election and return of the following members:

Of Léopold Corriveau, Esquire, for the electoral district of Frontenac.

Of Maurice Dupras, Esquire, for the electoral district of Labelle.

* * *

NEW MEMBERS INTRODUCED

Léopold Corriveau, Esquire, member for the electoral district of Frontenac, introduced by Right Hon. P. E. Trudeau and Hon. Jean Marchand.

Maurice Dupras, Esquire, member for the electoral district of Labelle, introduced by Right Hon. P. E. Trudeau and Hon. Jean Marchand.

* * *

• (2:10 p.m.)

PRIVILEGE

MR. DOUGLAS (NANAIMO-COWICHAN-THE-ISLANDS)—STATEMENT IN CANADIAN PRESS ARTICLE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I rise on a question of privilege arising out of an article which appeared in last night's Ottawa *Citizen*, November 25, under a Canadian Press byline. The second last paragraph in the article states:

> New Democrat leader Douglas shouted that the Ontario Liberal was "a damn poor defender of the Canadian nation."

I want to make it abundantly clear that I did not make any such remark either when the hon. member for Hamilton-Wentworth was speaking or at any other time during the debate.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

COMMITTEES OF THE HOUSE

First report of Standing Committee on Public Accounts—Mr. Hales.

First report of Standing Committee on Agriculture—Mr. Beer.

First report of Special Committee on Election Expenses—Mr. Chappell.

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

[*Translation*]

EXTERNAL AFFAIRS

TABLING OF SUPPLEMENTARY REPORT ON CANADIAN AID TO EAST PAKISTAN

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I have the honour to table a supplementary report on emergency relief sent by the Canadian government to victims of the cyclone and tidal wave that struck East Pakistan.

* * *

[*English*]

CANADIAN FILM DEVELOPMENT CORPORATION ACT

AMENDMENT TO ENSURE CANADIAN OWNERSHIP

Mr. Frank Howard (Skeena) moved for leave to introduce Bill C-199, to amend the Canadian Film Development Corporation Act.

Mr. Speaker: Before I inquire of the House whether the hon. member has leave to introduce his motion, perhaps I might say this: the hon. gentleman has just filed at the table a copy of the bill—I have not looked at it and I think there is a presumption in the case of the hon. member that the bill will be procedurally correct—but with this caution, that it should be looked at, in any event, by the Speaker, I will put the motion. Does the hon. member have leave to introduce this bill?

Some hon. Members: Explain.

Mr. Howard (Skeena): In light of what the Liberal party did over the weekend, maybe the subtitle of this bill should be "Put your money where your mouth is."

The Canadian Film Development Corporation was established "to foster and promote the development of a feature film industry in Canada." However, no provision whatever exists in the Act to contain the industry within Canada. In other words, there is no protective feature with respect to foreign ownership, and I understand that at the moment foreign interests are attempting to move into the feature film industry which has been subsidized and assisted by the Canadian taxpayer through the fund established under the Canadian Film Development Corporation Act.

This bill simply seeks to amend the relevant section of the Act to ensure that the film industry will remain Canadian in ownership with its purpose being to promote Canadianism.

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

Inquiries of the Ministry

FOOD AND DRUGS ACT

INDICATION OF SIDE EFFECTS ON DRUG PACKAGE LABELS

Mr. David Anderson (Esquimalt-Saanich) moved for leave to introduce Bill C-200, to amend the Food and Drugs Act (Labelling).

Some hon. Members: Explain.

Mr. Anderson: Mr. Speaker, despite many changes in the labelling of consumer products, the law relating to the labelling of drug packages has remained virtually unchanged. The purpose of this bill is to have such packages properly indicate the side effects of any particular drug. In other words, if a drug one takes for hayfever makes one drowsy one should know about it before starting to drive a car.

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

ORAL QUESTION PERIOD

ENERGY

CANADIAN OIL EXPORTS TO UNITED STATES—NEED FOR FURTHER CONSULTATIONS FOLLOWING RESIGNATION OF U.S. SECRETARY OF THE INTERIOR

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. In light of what the House was told yesterday by the Secretary of State for External Affairs, that the interministerial meeting earlier this week was merely for consultation and not for the purpose of obtaining binding agreements between governments, and following the very optimistic and welcome announcement regarding the future market for Canadian oil in the United States, would the minister say that there will perhaps have to be further consultations now as a result of the resignation of Mr. Hickel?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I do not know whether the latter part of the hon. member's question has anything to do with the situation as it exists. The government's position in respect of United States oil markets has been directed toward obtaining access to those markets on a competitive basis with indigenous United States oil and subject, as the communiqué said, to Canadian regulations under the National Energy Board Act or other applicable Acts of Parliament. The communiqué, which enunciated the agreement between Canadian ministers and their United States counterparts, indicated that the United States is now prepared to consider this position of opening their markets to our oil in competition with their own indigenous oil. While no final resolution has been made of the problem of security in the event of a short-term cut-off from the east there will continue to be—

Mr. Speaker: Order, please. The minister's statement is very interesting, and I am sure enlightening, but it seems to me that this kind of statement ought to be made on motions.

[Mr. Howard (Skeena).]

Mr. Lambert (Edmonton West): I have a supplementary question, Mr. Speaker, in spite of the non-answer to my previous question. In light of the fact that the consultation and exchange of information did not result in an agreement between governments, I should like to know whether the minister now feels he will have to consult with the successor of Mr. Hickel in order to maintain the progress which he indicated in the communiqué?

Mr. Greene: Mr. Speaker, discussions are continuing in an attempt to bridge the main question that still exists in the minds of the United States authorities before they can make access to their oil markets available to Canada, namely, eastern security in the case of an emergency. These discussions will continue at the official level, and if need be I will be pleased to continue discussions with the successor to Mr. Hickel.

FUTURE QUOTAS ON CANADIAN OIL ENTERING UNITED STATES MARKET—OTHER FUELS—CONTINENTAL POLICY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I would hope that the minister might be prepared to revert to motions to make a statement because the communiqué gives us very little information. In view of the fact the communiqué merely speaks of allowing western Canadian oil to flow into the United States market as United States oil moves into eastern Canada, I should like to ask the minister specifically whether the quotas on Canadian oil entering the United States market are to be raised for 1971 or are they to be removed entirely? Has any agreement been reached on this point, and at what particular time will it be possible to raise Canadian exports of oil into the United States market?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, with the quotas our sales into the United States market this year are about 17 per cent over last year and are the highest in history. The communiqué indicates that in the coming year the pipeline capacity will be used to the full, which would be an indication that the quotas will be raised even more. The communiqué further indicates that the United States is prepared to consider seriously the question of opening up the markets completely so that we have access to compete freely with United States indigenous oil in their markets.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The communiqué speaks of increased trade in crude oil, petroleum products and other fuels between the United States and Canada. Would the minister clarify and elaborate on what is meant by the two words "other fuels"? What other fuels were included in the discussions between the Canadian ministers and the representatives of the United States government?

Mr. Greene: Mr. Speaker, certainly discussions were held in respect of Canadian uranium which since 1964 has been barred from the United States market. We urged very seriously that that market be opened again to Canadian uranium, as we believe this would be in the interests of both countries. So far as natural gas is concerned, I think our position was made very clear at the time of the government's announcement, when the National Energy Board judgment in respect of the export of 6.3 trillion cubic feet was approved by the government recently, in which we indicated to our United States friends that an open oil market would engender more exploration for oil and thus—

Mr. Speaker: Order, please. I will recognize the hon. member for Nanaimo-Cowichan-The Islands in a moment for a supplementary, but perhaps I should caution hon. members about reaching the point of debate on this very important matter.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the minister one more question. In view of the statement by Mr. Hickel when he was here in Ottawa that "we are still trying to work out how we can have a continental energy policy" and in view of the denial by both the minister and the Secretary of State for External Affairs that there was any discussion about a continental energy policy, may I ask if any complaint has been lodged with the President of the United States by the Canadian government regarding Mr. Hickel having let the cat out of the bag, thereby resulting in his dismissal?

Mr. Greene: Mr. Speaker, I think it is Mr. Hickel who is out of the bag and not the cat. But, Mr. Speaker, if by continental energy policy my hon. friend means the opening of United States markets to Canadian production subject, of course, to the regulations of the Canadian government and the Canadian Parliament or the National Energy Board under an Act of the Canadian Parliament, that is, of course, what we are after. No other discussions took place on any other aspect of Canadian oil policy.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I should like to ask a supplementary question. In view of the fact that no report was made verbally to the House by the minister after this conference, would the minister agree there is now a good case for reporting to the House immediately following these conferences in case any of the parties cease to hold their positions?

Mr. Speaker: Order. The hon. member's question obviously is argumentative.

SALE OF WATER—UNITED STATES ENERGY MARKET

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a supplementary which may be self-answering because there has been a lot of hot air. Can he advise us whether there was any discussion whatsoever either on the part of the United States representatives or the Canadian government in reference to linking any export of fresh water or selling water to the United States to their energy market?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I am a little surprised at the self-effacing preface to the hon. member's question, but there was no discussion at any time in respect of the export of water in consideration of opening the energy markets or for any other purpose. There was no discussion whatever in respect of water except that water which was consumed by the members of the ministerial conference during the meetings.

* * *

INDUSTRY

AUTOMOBILES—STATUS OF SAFEGUARDS IN CANADA-UNITED STATES AUTO PACT

Mr. J. Edward Broadbent (Oshawa-Whitby): I have a question for the Minister of Industry, Trade and Commerce. The communiqué issued following the Canada-United States ministerial meeting uses the phrase "transitional arrangements" with reference to the protective clauses in the auto pact. This phrase is used for the first time in a Canadian communiqué; the Canadian government has adopted the United States terminology and replaced the word "safeguards" normally used by the Canadian government. Could the minister inform the House whether or not this means that the Canadian government has accepted the view that the safeguards in the auto pact are merely transitional in nature?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): It is a very fine point. There are "transitional arrangements" but there is no date for the termination of the arrangements.

Mr. Broadbent: That was a wonderfully ambivalent answer, Mr. Speaker. In view of the fact that we now have a $25 million deficit in the auto trade with the United States, would the minister assure the House that the government will not abandon the existing safeguards in the auto pact?

Mr. Pepin: The figure quoted by my hon. friend is not an exact one. Is he referring to the balance of trade for this year? If so the balance of trade for this year on automobiles between Canada and the United States is favourable to Canada at this time, that is, at the end of the third quarter, in September, by $69 million.

* * *

[*Translation*]

OIL

POSSIBLE REVISION OF MARKETING POLICY

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the hon. Minister of Energy, Mines and Resources.

Inquiries of the Ministry

Since the Caloil Company of Montreal announced it was dropping plans to build a refinery in St. Augustin in the Portneuf riding, because the National Energy Board has refused to allow it to sell imported oil west of the Ottawa Valley, could the Minister say whether the policy will be reviewed and amended as required?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I did not hear the member's question. Would he be kind enough to repeat it?

Mr. Godin: With your permission, Mr. Speaker, I shall repeat my question.

In view of the fact that the Caloil Company of Montreal announced yesterday that it had decided against building a refinery at St. Augustin, in the riding of Portneuf, because the National Energy Board has refused to allow it to sell imported oil west of the Ottawa Valley, can the Minister of Energy tell the House whether the policy of the Board will be reconsidered with a view to making the necessary changes?

Mr. Greene: Mr. Speaker, the ruling of the Supreme Court of Canada is that the policy of the government is fair constitutionally. No consideration is being given to changing it because it is felt that it was adopted in the interest of the whole country.

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

Does the minister know that the trade barrier put up by the National Energy Board between Quebec and Ontario is a one-way barrier since Ontario can still sell oil in Quebec?

* * *

[*English*]

NATIONAL DEFENCE

SUGGESTED SPECIAL MILITIA TRAINING PROGRAM FOR YOUNG CANADIANS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): My question is for the Minister of National Defence. In view of the success of the summer student militia training program last year, would the minister consider introducing a series of six-week courses under a special militia training program similar to the one initiated in 1961 in order to combat unemployment and to give the advantage of youth development to students and other young Canadians?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, we do not have such a program under consideration at the moment.

Mr. Marshall: I know there is no program in effect now, but would the minister consult with the Minister of Manpower and Immigration and recommend this type of course before Christmas or shortly thereafter?

Mr. Macdonald (Rosedale): Mr. Speaker, as I said, we do not have such a program under consideration.

[Mr. Godin.]

POST OFFICE

CHRISTMAS MAIL DELIVERY

Mr. Heath Macquarrie (Hillsborough): I would like to direct a question to the Postmaster General and perhaps he would pass it on to the minister in charge of the Post Office. Noting the department's announcement regarding no mail delivery on December 25, 26, 27 and 28 and since a good many Canadians still use the mails, could consideration be given to reviewing the decision not to have mail even on the fourth day of Christmas?

Hon. Eric W. Kierans (Minister of Communications): I will be glad to pass this on to my colleague.

Some hon. Members: Oh, oh!

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EXTERNAL AFFAIRS

EAST PAKISTAN—SUGGESTED USE OF CANADIAN AIRCRAFT AND PILOTS TO DISTRIBUTE FOOD AND SUPPLIES

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I would like to address a question to the Secretary of State for External Affairs but in his absence I will direct it to his Parliamentary Secretary. In view of the pressing need for a rational distribution of food and supplies to the disaster-stricken area of Pakistan, will the minister consider sending immediately by Canadian Air Force Hercules transports, Canadian bush pilots and float planes currently idle as a result of the freeze-up in our north?

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): I would like to thank the hon. member for giving me notice of this question, Mr. Speaker. Canadian officials have been giving the most careful consideration to the possibility of Canadian aircraft and hovercraft being made available for relief operations in East Pakistan. We are in continuous touch with the Pakistani authorities as to their priorities, but to my knowledge no specific requests have been made to us to supply helicopters, hovercraft or the type of plane mentioned by the hon. member to transport relief supplies.

PROMPT RESPONSE TO DEMANDS FOR AID FOLLOWING DISASTERS

Mr. S. Perry Ryan (Spadina): Mr. Speaker, I wish to ask a supplementary question. In view of the time difficulty in connection with the East Pakistan situation, and as it took three days to decide to go to the aid of Peru and six days to send aid there, is the government making any plans to speed up emergency disaster aid for other countries and to get helicopters, float planes, and short take-off and landing planes on site a little more quickly?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, if I may answer this question I would point out to the hon. member that nine flights have already delivered a total of 286,499 pounds of

relief supplies and by this weekend another four flights will have delivered an additional 123,000 pounds. On this basis I think it is fairly obvious that the ability to respond quickly to the demand for relief supplies in any part of the world is very high both with regard to the External Aid Office and with regard to the Department of National Defence.

Mr. Ryan: But are the supplies getting to where they are actually needed on the site of the disaster or are they backing up in warehouses?

Mr. Macdonald (Rosedale): Mr. Speaker, as was already pointed out, it is the responsibility and concern of the government of Pakistan to distribute it to its own citizens and, as the Parliamentary Secretary has already indicated, we have had no request for additional assistance, whether in personnel or aircraft, for the purpose of distribution.

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INDUSTRY

AUTOMOBILES—CONSIDERATION BY PARLIAMENT BEFORE DROPPING OF SAFEGUARDS IN CANADA-UNITED STATES AUTO PACT

Mr. Max Saltsman (Waterloo): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce. It is supplementary in a way. In view of the anxiety that will now be created by the indications from the minister that he is backing off from the safeguards in the Canada-U.S. auto pact, will he assure the House that none of the safeguards will be dropped without first bringing the matter to Parliament?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I think I made that promise four, five, or six months ago, and I will repeat it now if that is useful.

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[*Translation*]

AGRICULTURE

COMPLAINT BY UCC REGARDING ATTITUDE OF TASK FORCE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I want to put a question to the Minister of Agriculture.

Since he stated at the opening of the annual agricultural conference which is now taking place in Ottawa, that the main trends of the government's agricultural policy would be included in the report of the task force can the minister tell us whether he shares the opinion of the CFU which reproaches it not only with ignoring Quebec interests, but also with not providing the federal government with the information needed to determine its agricultural and trade policies so as to promote the development of various sectors of agriculture, including those of Quebec?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, of course I will be very happy to hear the views of any farm organization and particularly of the UCC, it being one of the largest ones in the province of Quebec, but I do not think I should give any indication of a degree of support or rejection of the task force report until this congress is over, because that is the purpose for which it was called.

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AIR TRANSPORT

INTRODUCTION OF LEGISLATION RESPECTING AERIAL HI JACKING

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I wish to direct a question to the Minister of Justice. In view of the fact that the General Assembly of the United Nations has unanimously condemned aerial hi jacking, is it the intention of the government to introduce legislation at this session of Parliament which would provide fitting punishment for anyone who carries out or attempts the hi jacking of aircraft?

Hon. John N. Turner (Minister of Justice): I would hope this would be possible, Mr. Speaker.

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MANPOWER

NEWS RELEASE INDICATING SUMMER EMPLOYMENT FOR CANADIAN STUDENTS IN GERMANY IN 1971

Mr. Steven Otto (York East): Mr. Speaker, my question is directed to the Minister without Portfolio in charge of citizenship. It is in regard to a widely publicized news release by Student Employment Europe which states that arrangements have been completed to give 5,000 Canadian students employment in Germany this coming summer. Can the minister tell the House whether the government has come to some arrangements with this group? If so, what are the arrangements, has this group completed any agreement with the German government, and was the government consulted before the publication of this official looking document?

Hon. Robert Stanbury (Minister without Portfolio): Mr. Speaker, the answer to all those questions is no. However, I have had discussions with authorities in Germany about the activities of Canadian youth there next summer, and officials of the Department of Manpower and Immigration and of the Department of the Secretary of State are pursuing these discussions.

* * *

AGRICULTURE

ALLEGED LOSS OF QUOTAS BY WESTERN CANADA DAIRY FARMERS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Agriculture. Because of the continuing loss of dairy quotas by dairy farmers in western Canada under the government's quota program, would the minister take the necessary action to adjust this policy before the dairy industry in the west suffers beyond repair?

Inquiries of the Ministry

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, this is one of those erroneous preambles to a question which make it impossible to answer. The fact of the matter is that no one in western Canada has lost a dairy quota unless he gave it up.

Mr. Dinsdale: Inasmuch as these quotas are moving to central Canada—

Mr. Olson: That is not true.

Mr. Dinsdale: —would the minister take the necessary steps to see that quota adjustments are made within the provinces concerned?

Mr. Olson: Mr. Speaker, that assertion is not true.

Mr. Woolliams: May I ask a supplementary?

Mr. Speaker: Order, please. I suggest to hon. members that we should try to move on as quickly as we can because we will soon be running short of time. I suggest that supplementaries should be limited at this point.

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[*Translation*]

NATIONAL SECURITY

REASONS FOR INVOKING WAR MEASURES ACT —ESTABLISHMENT OF ROYAL COMMISSION

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

As a result of the recent events in Quebec, I would ask him whether he does not believe that it would be in the public interest to establish a royal commission of inquiry to investigate impartially all the circumstances, facts and events which have led the federal government to invoke the War Measures Act.

Mr. Speaker: The hon. member will recall that the question was asked yesterday.

Mr. Valade: No, Mr. Speaker. Yesterday, I asked for the establishment of a parliamentary committee, while I am asking today for the establishment of a royal commission of inquiry. I think that it is an entirely different question, Mr. Speaker.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must say that the government does not intend to set up such a commission of inquiry. We know what we voted on and I believe the opposition, who supported the government, are also aware of the facts on which they voted. Furthermore, I see no reason for setting up such a commission.

Mr. Valade: On a point of order, Mr. Speaker.

The Prime Minister says the opposition voted with full knowledge of the circumstances, a statement which I consider to be false. The opposition voted on the basis of the information given by the government.

Mr. Speaker: Order! Order! That is not a point of order.

[Mr. Dinsdale.]

[*English*]

POLLUTION

GREAT LAKES—ALLEGED VIOLATION OF BOUNDARY WATERS TREATY BY UNITED STATES—GOVERNMENT ACTION

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources arising from a recent statement he made to the effect that the United States had violated the Boundary Waters Treaty of 1909 by its pollution of the Great Lakes. In view of this violation of Article 4 of the Boundary Waters Treaty, what action does the Canadian government propose to take?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I am sure the hon. member will have been glad to note the very specific statements in the communiqué issued subsequent to the ministerial meetings between ourselves and our U.S. counterparts to the effect that the pollution of boundary waters was to be of particular concern at the ministerial level, especially in regard to the Great Lakes, and that a further meeting was contemplated early in January, or just as soon as the final report of the IJC on this matter was issued.

Mr. Harding: What specific commitments did the minister receive from his American counterparts that action would be taken on this problem?

Mr. Greene: I think the communiqué speaks for itself in this regard, Mr. Speaker. Certainly it indicates that both sides are determined to carry out the recommendations of the International Joint Commission in regard to pollution of the Great Lakes.

* * *

SHIPBUILDING

INTRODUCTION OF MEASURES TO ASSIST INDUSTRY AND ALLEVIATE UNEMPLOYMENT

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the heavy unemployment in the country, could the minister advise whether the government intends to bring forth measures to assist the shipbuilding industry in Canada at an early date?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I am very hopeful that this can be done.

Mr. MacEwan: In the consideration of this matter, is it the intention of the government to bring forward and examine the recommendations made by the Robertson committee on shipbuilding?

Mr. Pepin: Mr. Speaker, the committee makes 23 recommendations and we are studying them at this time; as I just said, I am hoping that some of them might be adopted rather soon.

GRAIN

REQUEST FOR INCREASE IN AMOUNT SHIPPED THROUGH PORT OF CHURCHILL

Mr. Robert Simpson (Churchill): I have a question for the Minister of Manpower and Immigration who is also responsible for the Wheat Board. In view of the visit of the icebreaker *Louis St. Laurent* to the port of Churchill next week, which will be a record for any ship docking late in the year and which we hope will have a significant effect on the lengthening of the shipping season, will the minister consider conferring with the Wheat Board and asking them to offer something over 30 million bushels of grain to the trade for export out of Churchill next season?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I should like to make it clear to hon. members that there is no limit on the amount of grain offered by the Wheat Board for shipment through Churchill. The problem is that individual buyers and agents are hesitant about booking ships for wheat in certain parts of the season when they cannot be absolutely certain that ships can navigate at that time. The particular navigation at a particular time does not change that over-all attitude.

Mr. Simpson: Mr. Speaker, I wonder if the minister could explain why it is that the offerings of the Wheat Board early in the spring usually correspond very closely with the final sales?

Mr. Speaker: Order, please. I think the hon. member will realize that his supplementary is argumentative.

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INDUSTRY

BOOK PUBLISHING—INQUIRY AS TO TABLING OF REPORT ON STUDY

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Is the minister prepared to table the report on the study undertaken by his department into the Canadian book publishing industry?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, a few days ago I said that it was being translated and printed. I shall table it as soon as I can.

* * *

GRAIN

PRESENCE OF RUSTY BEETLE IN WHEAT SHIPMENTS—SUGGESTED ASSUMPTION OF RESPONSIBILITY FOR LOSS BY BOARD OF GRAIN COMMISSIONERS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, can the Minister of Agriculture inform the House whether he has received a wire from the National Farmers Union in which they contend that the Board of Grain Commissioners inspection branch must assume full responsibility for

loss due to insect infestation of grain since it is their responsibility to issue certificates of final inspection for export grain, and that the failure on the part of the Board of Grain Commissioners inspection branch places liability for the loss on the federal government? Can the minister inform the House whether he has replied to the wire and the nature of his response?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the hon. member has brought up a very large question. Specifically, with respect to the receipt of the telegram it seems to me that I recall receiving it. If a detailed reply has gone forward, I shall give the hon. member a copy of it.

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[*Translation*]

LABOUR CONDITIONS

MONTREAL—LAY-OFF OF CALOIL EMPLOYEES

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

Since there will be new lay-offs at the Caloil Company in Montreal due to the fact that it must give up the idea of building a refinery at Saint-Augustin, in Portneuf constituency, as a result of a Supreme Court judgment, can the Minister of Manpower and Immigration tell us what steps he intends to take to reassure the bread winners who will soon be laid off as a result of this judgment?

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I think the question is largely hypothetical but none the less I can assure the hon. member that the full services of the department would be available in any case such as the one to which he makes reference.

* * *

[*Translation*]

OIL

REPERCUSSIONS OF SUPREME COURT DECISION ON CALOIL OPERATIONS

Mr. Pierre De Bané (Matane): Mr. Speaker, I wish to direct a supplementary to the Minister of Energy, Mines and Resources.

Is he ready to study with sympathy the problems caused to the Caloil Company by the Supreme Court judgment?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I believe I answered a similar question a while ago for another hon. member.

Mr. De Bané: I have a supplementary, Mr. Speaker. The minister reminded us that the government policy was constitutional. I would like to ask him now if he is ready to revise it and to study with sympathy the problems facing Caloil in order to solve them.

Mr. Greene: Mr. Speaker, we do not intend to revise that policy at the moment.

Inquiries of the Ministry

CANADIAN BROADCASTING CORPORATION

PRESENTATION OF WHITE PAPER ON OBJECTIVES

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I would like to address a question to the Secretary of State.

Over the last few months, several members of this House have opposed the activities of the CBC in several areas and I would like to ask the minister whether he intends to table shortly in this House a white paper on the objectives of the CBC to redefine its status and its relationships with Parliament?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, we do not intend by any means to table a white paper, but I would like to say to the hon. member that when the CBC management appear before the Standing Committee on Broadcasting, Films and Assistance to the Arts, they will probably be in a position to explain the fairly long term policy that they are now preparing.

* * *

[*English*]

INFORMATION CANADA

INFORMATION ON SUBJECTS UNDER SURVEY

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I should like to direct my question to the Minister in charge of Information Canada. Has the minister the information now to reply to my question of Monday about surveys in Canada, which should be of interest to all members of the House?

Hon. Robert Stanbury (Minister without Portfolio): Mr. Speaker, I made inquiries about the particular survey mentioned by the hon. member. I am informed that the reference was simply to an example of the kind of survey which might be made but that no subjects are now under public survey by Information Canada.

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CANADIAN BROADCASTING CORPORATION

ESCALATION OF PENSIONS OF RETIRED EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Secretary of State. Can the minister state when the CBC will put into effect an arrangement for the escalation of the pensions of its retired employees similar to the arrangements for retired public servants that were passed by this House last spring?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I could not off-hand give an answer to the hon. member, but I shall inquire.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, will the minister urge the CBC to act on this matter as soon as possible?

[Mr. Greene.]

[*Translation*]

POST OFFICE

ABILITY OF DEPARTMENT TO PAY ITS OWN WAY

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I have a question I wish to direct to the Minister of Communications.

Would he tell us whether his successor in the Post Office Department has deemed that it is desirable that the department for which he is responsible should become a profitable operation?

Mr. Speaker: The hon. member will admit, I think, that he is asking the minister to say what he thinks of an opinion that might be shared by another minister of the Crown.

Mr. Ricard: Mr. Speaker, I wish the minister would discuss this matter with his colleague.

* * *

[*English*]

GRAIN

WHEAT—INITIAL PAYMENT UNDER ACREAGE REDUCTION PROGRAM

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, my question is directed to the Minister without Portfolio responsible for the Wheat Board. In light of the fact that many grain farmers have not yet received their initial payment under the Lift program, can the minister assure the House that all remaining initial payments are now in the mail and, if not, is the minister going to investigate this situation?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I cannot assure the House that all initial payments are in the mail because in the one hundred and some thousands of applications some presented a significant amount of difficulty in the processing. These, of course, are still being processed and the cheques will be mailed as soon as it is clear that they should go out.

[*Later:*]

Mr. Cadieu: I have a supplementary question for the minister in charge of the Wheat Board. Will the minister have the Muskeg Lake Indian Reservation checked to see why these people have not received any consideration whatsoever with regard to the Lift program?

Mr. Speaker: The hon. member for High Park.

Some hon. Members: Hear, hear!

* * *

CITIZENSHIP

INTRODUCTION OF AMENDMENTS TO ACT

Mr. Walter Deakon (High Park): Thank you for the applause. I wish to direct a question to the Minister without Portfolio in charge of citizenship. Can the minis-

ter advise the House when we can expect revisions to the Canadian Citizenship Act, especially in view of the fact that there are people who have resided in Canada for over 40 years and whose children were born in Canada who apply for citizenship and always receive a stereotyped rejection with no reasons being given?

Hon. Robert Stanbury (Minister without Portfolio): I am sure all hon. members join me in welcoming the hon. member back to the House in good health.

Some hon. Members: Hear, hear!

Mr. Stanbury: I hope the House can soon get back to the program of legislation so that this bill can be introduced in this session. However, I think the question of the hon. member raises matters which may be outside the Canadian Citizenship Act and may be concerned with problems of national security.

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GRAIN

SUGGESTED PENALIZING OF RAILWAYS FOR FAILURE TO SPOT BOXCARS

Mr. S. J. Korchinski (Mackenzie): I have a question for the minister responsible for the Wheat Board. Why are the railways permitted to undermine the block system by not spotting cars when they are scheduled? Is there any thought being given to penalizing the railways in a similar way as agents are penalized for not filling cars on time?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Generally speaking, Mr. Speaker, the reports from the Wheat Board indicate a very high degree of co-operation from the railroads in spotting cars according to the agreed plan. I will certainly check on this again. If the hon. member can bring specific cases to my attention, I will investigate them.

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NATIONAL DEFENCE

ARMED FORCES—INQUIRY AS TO PAY INCREASES

Mr. J. M. Forrestall (Dartmouth-Halifax East): My question is for the Minister of National Defence. It is in connection with the question I addressed to the neglected President of the Treasury Board yesterday with respect to pay raises for the armed forces. The minister indicated that pay raises are made on the recommendation of the Minister of National Defence and he assured the House that consideration would be given to any recommendations made by the minister. Can the minister indicate whether a regular pay raise is in process for members of the Canadian Armed Forces? If not, would he speak to his colleague who would love to look after this matter before Christmas?

Inquiries of the Ministry

AGRICULTURE

ACTION ON FARM MACHINERY PRICES

Mr. Rod Thomson (Battleford-Kindersley): My question is for the Minister of Agriculture. Will the minister be making a statement soon on the government's plans to deal with the high prices of farm machinery as outlined in the Barber report?

Hon. H. A. Olson (Minister of Agriculture): As I have advised the House, Mr. Speaker, I have not received the final report of the Barber Commission. The government made a response to the recommendations contained in the interim report which we received last May, I believe.

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INQUIRY OF THE MINISTRY

Mr. Jack Cullen (Sarnia-Lambton): I have a question for the Prime Minister. Representing as I do the home of the former Grey Cup champions, the Sarnia Imperials, which produced Bummer Stirling, the best placement kicker in Canada, I ask the Prime Minister, the worst placement kicker in Canada, whether, in the interests of improving the football image of the House of Commons, he is practising?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member should practice his questions.

* * *

[*Translation*]

NATIONAL CAPITAL COMMISSION

PROHIBITION OF SNOWMOBILES IN GATINEAU NATIONAL PARK

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the minister in charge of the National Capital Commission.

In view of the announcement by the Quebec Minister without Portfolio in charge of inter-governmental affairs that the federal government must abide by Quebec policy with regard to allowing snowmobiles in Gatineau Park, can the minister say whether the National Capital Commission has decided to allow these vehicles in the park?

[*English*]

Hon. Robert K. Andras (Minister without Portfolio): This matter is being reviewed, Mr. Speaker. There are discussions being held between the Quebec minister referred to by the hon. member, the Chairman of the National Capital Commission and myself. We are hopeful that some compromise can be arranged which will still protect the basic principle of preservation of the park for quiet enjoyment. The exact results of that negotiation are not yet established. I hope to have some reasonably good news embracing all those involved in this problem very soon.

Inquiries of the Ministry

[*Translation*]

NATIONAL SECURITY

SUGGESTIONS FROM QUEBEC AUTHORITIES RESPECTING BILL C-181

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, I would like to ask the hon. Minister of Justice and the Solicitor General a question.

Could he tell the House whether he received, before or after the introduction of Bill C-181, from the Prime Minister of Quebec or from the Attorney General of that province, comments, suggestions or motions for amendment concerning a particular clause or the bill as a whole?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I always have consulted the Minister of Justice of Quebec and the attorneys general of the other provinces concerning this bill before as well as after its introduction in the House.

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to ask the Minister of Justice whether, at the time of his discussions with the Attorney General of Quebec, the latter made suggestions with regard to Bill C-181?

Mr. Turner (Ottawa-Carleton): There were conversations, Mr. Speaker, but I can say no more than that.

[*English*]

Mr. Baldwin: A supplementary—

Mr. Speaker: Order, please. The question period expired a few moments ago. I apologize to hon. members who have not had a chance to ask their questions or supplementaries. I have tried to note them and perhaps I can give them priority tomorrow.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: I will foresake my supplementary question until tomorrow and ask the Acting House Leader or the Parliamentary Secretary to the President of the Privy Council about the business for the balance of this week and next week.

Mr. Jerome: Mr. Speaker, we would proceed immediately with government order 36, the surtax on shirts. Following that we will resume the third reading debate on Bill C-181, the temporary measures bill. This will be followed by the second reading stage of Bill C-186, the CNR finance and guarantee bill. Tomorrow we will deal with bills in the following order: Bill C-179, Buffalo-Fort Erie Bridge, second reading; C-191, Loans, second reading; S-6, Anti-dumping, second reading; C-182, statutory instruments, second reading; C-174, Tax Review Board, report stage, C-180, packaging and labelling, second reading and Bill C-177, co-operative associations.

[Mr. Andras.]

Mr. Baldwin: Will the Parliamentary Secretary indicate whether any more bills will be placed on the order paper before the Christmas recess? Also, what are the realistic expectations of the government with regard to the passage of measures? Has the government any idea when the Christmas recess will be so that we will know what our diet will be between now and then?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker. It is expected that additional bills will be given first reading before Christmas. I understand the President of the Privy Council will be back in the House on Monday next. He will be consulting with representatives of the parties with respect to the program for the balance of the pre-Christmas part of the session, particularly with regard to the order of business for that time.

Mr. Marshall: Will the Minister of National Defence indicate whether one of the bills to be introduced for first reading will be the veterans' pension legislation?

Mr. Macdonald (Rosedale): I certainly hope so.

Mr. Knowles (Winnipeg North Centre): And old age pensions too?

Mr. Lundrigan: On a point of order, Mr. Speaker, on behalf of all hon. members I wish to indicate to the House leaders, through Your Honour, that the 40-minute question period is having a detrimental effect on the business of this House. Every day at least 40 or 50 members are unable to ask questions on urgent matters. I suggest that the Chair and the House leaders give serious consideration to extending the question period to one hour. I think it would be much easier on the Chair and should be done especially in view of the very serious economic crisis facing the nation at the moment.

Mr. Speaker: Orders of the day.

• (3:00 p.m.)

[*Translation*]

GOVERNMENT ORDERS

INDUSTRY

MAINTENANCE OF SURTAX ON IMPORTATION OF MENS AND BOYS SHIRTS

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce) moved:

That this House, pursuant to subsection (1c) of section 7 of the Customs Tariff, do approve that the Men's and Boys' Shirts Surtax Order, being Order in Council P.C. 1970-959 of 2 June 1970 made under subsection (1a) of section 7 of the said Act, continue to have force and effect until the 29th day of November, 1971.

He said: Mr. Speaker, when I informed the House on June 2, that the government had decided to impose a surtax on some imports of woven shirts offered at prices such as to disrupt the Canadian market, I indicated that it was a temporary measure making use of currently available instruments, pending the full implementation

of the new textile policy. It might be useful to consider the situation that developed early in 1970 and led the government to make that decision, namely that of June 2, the application of which we are now seeking to extend.

Several hon. members knew then—as they still do—that the activity and the employment level in the Canadian shirt industry had dropped since 1966 and that many plants had closed down. This phenomenon was closely related to the very rapid and sharp increases in imports from countries with a low cost price and those whose external trade is nationalized, commonly called state-trading countries.

In an effort to minimize the disruption caused by these cheap imports, Canada had negotiated with seven of these countries agreements under which they agreed to limit their exports of woven shirts to Canada. The first agreement entered into with Japan goes back to 1960. Early in 1970 it was realized that men's and boys' woven shirts were entering Canada in considerable quantities outside the framework,—I emphasize "outside the framework"—of these voluntary restriction agreements between Canada and some exporting countries, at a low cost or at prices liable to cause serious prejudice to Canadian manufacturers and workers.

So, Mr. Speaker, two causes, namely quantity and prices, are involved in this case.

Furthermore, there was evidence that exporters were taking steps to buy large extra quantities of such textile shirts offered at prices likely to disrupt the market and from countries, and this I wish to emphasize, that were not parties to those restrictive intergovernmental agreements. Therefore we have here imports over and above the quantities provided for in the voluntary restriction agreements, coming from countries which have yet to agree to the voluntary restrictions.

Then, and after a careful study of the situation in the industry and on international markets, the government decided to take measures which, hopefully, would prevent shirt imports from exceeding the 1969 level, that is 1,200,000 dozens. At that time, attempts were being made to restrict imports to that level which is nevertheless impressive.

Those measures were designed to protect the Canadian shirt industry, while meeting with our international commitments. At the same time, since approximately 40 per cent of the Canadian consumption was exempted from the surtax—I repeat, 40 per cent—Canadian consumers still had many opportunities to buy cheap shirts.

It now seems that the 1970 imports will exceed by approximately 15 per cent the 1969 figure I mentioned earlier, that is 1,200,000 dozens, at least according to our statistics.

Mr. Speaker, I stress the importance of the present imports, so that some hon. members will not be able to claim that the Canadian government is closing the door. That is not so: the door is far from closed, according to the statistics which I have just mentioned. I know that several hon. members are opposed on this issue, some being in favour of imports, others of exports. What we are trying to do, is to reach a happy mean, which may appear fair to some and most unfair to others.

This increease of 15 per cent, Mr. Speaker, is partly due to the great quantity of shirts which were in transit when the Order in Council of June 2, which I mentioned earlier, came into force and thus escaped the surtax. Again, it was not very easy to foresee that, because of the shirts which were in transit when the surtax of June 2 was applied. It is to be noticed, however, that our imports statistics include quantities still detained in Customs warehouses, while awaiting the expiration of the order prescribing the surtax. The market has thus not yet felt all the possible effect of the increase in imports.

The representatives of shirt manufacturers and officials of the Department of Finance and the Department of Industry, Trade and Commerce met recently to discuss that subject. The manufacturers indicated that their orders for the coming season would be greatly reduced and some big importers admitted they are keeping large quantities of shirts in customs warehouses until the Order in Council imposing a surtax expires, that is on November 30.

Canadian manufacturers fear that the shirts presently in storage will be then brought out and put on the market at the beginning of December, thus disturbing the sales of Canadians products during the holiday season.

In my opinion it is the government's duty to maintain present restrictions on imports of shirts until it has been able to study the recommandations of the Textile and Clothing Board as to the future of the Canadian shirt industry.

As hon. members know when the Board was established on October 29, 1970, I asked the Chairman to give priority—second priority as the first belonged to cotton textiles—shirts. It is felt that the government should now be in a position to implement the Board's recommendations by mid-1971. As matters now stand, I feel it would be wise to see that imports liable to disrupt the local market remain banned and that the status quo of the shirt industry be maintained until the government is in a position to assess the long term possibilities in this area.

I also insist on advising hon. members that a bill on textiles will shortly be introduced before the House and that they will then have the opportunity to discuss all the aspects of the matter. Therefore, I would ask them to be as brief as possible in their remarks today and if they should have more significant points to make with reference to any philosophical or economic theory, they should wait until then.

Accordingly, I would like hon. members to pass the motion to approve extension of Order P.C. 1970-959 of June 2, 1970.

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I will not try to follow the example of the hon. minister, but I will be as brief as possible. There was an agreement that we would say very little on this matter. I expected that the minister's comments would be brief.

However, I want to assure him that this question is so important and that there has been so much delay in adopting the necessary measures to preserve the jobs of our Canadian workers that it is time to act.

It is comforting to see that we have finally succeeded in convincing the minister and the government to act. We did not start in 1970 pointing out to the minister and the government how imperative it was that the necessary measures be taken to ensure that imports from countries where salaries are much lower than here be reduced so that the Canadian shirt industry could continue to exist

The hon. minister has said so himself: Several industries, several shirt factories have ceased their operations since 1966. Several others operate on a part-time basis, with the result that in several cities, the economic life has been deeply affected.

Consequently, in order to prove to the minister that we wish to provide him with the opportunity to do all he can to help workers, we want this measure to be passed as soon as possible and, as he suggested, we will wait until later to make comments which perhaps will not be as pleasant as those we made today.

We have much to say on this subject, and we shall be looking forward to this day.

Meanwhile, we offer our best wishes to the minister and his staff in order that they can go on protecting our workers' jobs.

• (3:10 p.m.)

[*English*]

Mr. Max Saltsman (Waterloo): Mr. Speaker, we, too, intend to listen to the minister on this occasion and to give the resolution speedy passage. This order provides protection to the shirt industry and prevents its elimination, which I am quite convinced in the absence of this measure could easily happen. I think there is no alternative to the present course.

If the shirt industry itself suffered harm, so would other industries since there are primary textile industries that depend upon the shirt industry to buy their materials. More than that, many of those who are engaged in textile industries live in what are known as small, one industry towns, around which a social structure has developed.

I would not want this motion to pass on this placid note without sounding a few words of warning. One of the reasons this motion is necessary—I am sure there are others in the House who have reservations about protectionist policies—is that this government has put this country into a box by creating unemployment of a level that is criminal. The present level makes some of the programs we have talked about make little sense. After all, what is the point of moving people around if there is no place to move them? What is the point of retraining people if you have nothing to offer them when they are retrained? Certainly, there are no alternative jobs for workers in the textile industry at the present time.

Let there be no mistake about the resolution we are agreeing to today: it is certainly not a solution to the

problems of the shirt industry. The minister mentioned this when he pointed out that the matter had been referred to a committee for study and recommendations. I am glad the minister did not argue that it was not his government's fault. Neither did he raise the question of low wage industries and protectionism in other countries, or the fact that we do not have entry to the markets of other industrial nations. Had the minister so argued, Mr. Speaker, then he would have come in for even more criticism than he is going to get now. Let us not forget that this is not something that has happened to Canada alone, though we have been under attack from low wage countries. Our textile industry has been declining for the last 40 to 50 years.

May I remind the House that during the course of that period, with few exceptions, the Liberal party has occupied the seat of government. It is the Liberal party that has failed to find a solution to the problems of this industry. Very often it has seemed to me as though the Liberal party's solution was one of attrition, of letting this industry die gradually; of turning its head the other way and pretending the situation did not exist, and then rushing in with emergency legislation when an absolute disaster was in the offing.

It is also obvious that we cannot go on in this way, quickly passing legislation, with the minister appealing to the House on the basis of humanitarianism and telling us that the industry will be dislocated unless legislation is quickly passed by the House. We cannot continue jumping from one cliff to another as we have in the past. I do not want to take the position taken by Professor Creighton and others that probably it is too late now to remedy matters; that as long as there is a Liberal government we will have disaster and the country is lost; that the Liberals have not had any policies in the past to preserve this industry and probably will not have any in the future. I think there is still hope. There is always the possibility that they will be defeated at the next election.

Mr. Anderson: Do not hope too much for that.

Mr. Saltsman: It may be the only hope, if not a very big one. Since the minister is going to give some consideration to this matter, and has set up a committee to look into the problem, perhaps I might make some suggestions at this time. They are not ideological suggestions on our part. Perhaps it is hon. members on the other side of the House who are ideological, because even the absence of policy is a kind of ideology. I see the minister's professorial instincts rising to that and he will probably say a few words about it later on.

• (3:20 p.m.)

We have seen the results of a hands-off the economy, Liberal, laissez-faire policy with a mere reliance on an invisible hand. We have seen the shoe, textile, electronic, chemical and furniture industries move into desperate conditions. We have taken a look at the Canadian-U.S. auto pact agreement. As soon as that agreement started to bring about some kind of parity with the United States, they insisted that the safeguards be removed. The

United States people forgot about all the years of imbalance we had experienced.

Today, in reply to my question, the minister gave me the assurance that the safeguards would not be removed without the matter being presented to Parliament. I tried to ask a supplementary question but it was not possible to do so today. Perhaps I can discuss this subject now in the context of this resolution. Through you, Mr. Speaker, I should like to ask the minister if he will seek the approval of Parliament before agreeing to the removal of these safeguards? I hope he does not do, as previous ministers have done, that is reach an understanding and then come to Parliament. This has happened in the past. Ministers have come to Parliament sometimes years after an understanding was reached. I hope this minister will find an opportunity to tell us there will not be an understanding with the United States some years before we have been informed about it. I know he will follow the course I have suggested because to do otherwise would make a mockery of his statement today.

I say this to reinforce and draw attention to what the minister said today, just in case he does not intend to seek Parliamentary approval before reaching an agreement. I hope that will not be the case and that perhaps we have someone holding the portfolio of the Department of Industry, Trade and Commerce who is prepared to behave somewhat better than the previous occupants of that position. I must say his predecessors behaved rather badly while they were in office. They broke faith with this House on several occasions. They made decisions before gaining approval of this House which acts on behalf of the people of Canada. To put a tag to it, they reached agreements behind closed doors.

Mr. Pepin: I rise on a point of privilege, Mr. Speaker. I think the hon. member has been overly-enthusiastic. I hope I did not give the impression I was sacrificing the powers of the executive branch of government today when I said I would bring the subject to the attention of the House if the government decided to review the safeguards. I did not say I would make it conditional on the approval of parliament if ever it became necessary in the national interest to do so.

Mr. Saltsman: Well, at last we have an honest Liberal who is able to say the government has no intention of consulting the House of Commons on the Canada-U.S. auto agreement. The government of Canada, or the Cabinet, intends to make a decision, and then tell us what it is all about.

The Acting Speaker (Mr. Laniel): Order, please the Chair should remind the hon. member that the debate at this time is on a resolution in respect of a surtax relating to men and children's shirts. I do not think the Chair should allow the debate to continue on the point just raised. The hon. member should try to bring his remarks back into perspective. He should relate them to this surcharge resolution we have before us. I do not feel he should relate his remarks to a question asked during the question period or to any other matter such as the auto pact.

Mr. Saltsman: Thank you, Mr. Speaker, for your advice. I will try to keep my remarks in line with your excellent suggestion. We are losing more and more control of industry in this country. The point I am trying to make is that the shirt industry is one which is being affected. We have virtually lost control of our technological development and ownership of industry under Liberal regimes. In view of conditions in the shirt industry today, some of its members might not mind selling out but the auto industry is one which is not facing that danger.

As a result of government policies, we have wound up with one of the worst industrial structures in the world. We are using more capital per worker than any other country in the world, and capital use is an indication of efficiency or at least it should be. There are industries here that use 30 per cent more capital than similar industries in the United States, a country which is considered to be one of the most capital conscious countries in the world. These companies operate at about 30 per cent less efficiency.

I suggest to you, Mr. Speaker, that much of the reason for this can be related to the fact the United States has a planned economy. I do not want to elaborate on this today because it might not relate to the specific matter before us. I want to bring to the minister's attention the position of the NDP on this matter of trade. We believe in an international policy of integrated trade between nations because we feel that such trade on an integrated and free basis is of mutual advantage. In other words, we are very much in favour of free trade among nations.

We are opposed, however, to the establishment of blocs whether they be between Canada and the United States, or Atlantic blocs, as has been suggested, or European blocs where some countries seek to isolate everybody else, or groups like NATO which have an economic dependency. We are opposed to this kind of organization which divides people one from another. We believe that international trade should be arrived at through governmental action—we make this distinction very carefully—rather than by paternalistic, arbitrary and undemocratic decisions by international corporations.

There is a kind of international vision in the world today which is not being created by the elected governments of the free world. It is being created by international corporations which have usurped this power on their own behalf. We are opposed to this. We appreciate that the move toward free trade in some industries will have to be accompanied by temporary measures such as the one before us. These are necessary to avoid human dislocation, but such measures must be accompanied by a program of assistance and change. This brings me to the major distinction between what the government's position is, has been and probably will be, and our position. Talk about free trade is not enough. Liberals have always done that. Given the state of corporate and foreign control over our economy, how much of the decision

making process is left to the elected representatives of the country? That kind of free trade would be a disaster for this country.

We take the position that free trade must go hand in hand with a program of national economic planning or it will not work. That is what is required at this time. Therefore we are quite willing to see the resolution adopted, but I must also indicate that unless the government moves toward some kind of economic planning we are only giving them a green light to follow their own interests.

[*Translation*]

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, in the few minutes at my disposal, I should like to express the views of our party on the motion the Minister of Industry, Trade and Commerce (Mr. Pepin) proposed today.

I remember full well what the minister told us when he introduced the order on June 2, 1970. He said that the surtax was intended as a protection for the Canadian shirt industry which, for several years, has suffered great pressures partly because of massive shirt imports from countries where production costs are low. In fact, imports in recent years have increased very considerably.

There is no doubt that this order is a good thing for the clothing industry; within a short time it will soften the hard blows inflicted upon the clothing industry and, indirectly, the whole textile industry.

So, this is a short-term measure but, necessarily, there will have to be long-term ones, to protect not only the clothing industry but the whole textile industry. We know that in the past the imposition of special taxes proved to be an ineffective protection for the industry.

On November 5, the minister announced the creation of a board to study the problems relating to the textile industry, and proceeded to appoint the members of that board. In my opinion, one of the first tasks of the board should be to study the problem of the shirt industry. It will be recalled that the setting up of a board had been promised a long time ago. In June 1969, the matter came up again but I believe that at that time, the minister was not ready to present his policy and therefore, we had to wait a few more months before knowing the position of his department and that of the government.

Mr. Speaker, it is always the same story. We always wait until a sector of the economy is dying before we decide to take action. The same thing is happening now in the footwear industry. Shall we wait until all the factories close down to take action? I hope not.

A motion similar to the one now before us has been requested before. Many studies have been conducted on this subject by various departments in the last few years.

In my opinion, more should be done. Indeed, the possibility of setting up a quota system should be considered, in order to retain for the Canadian industry a realistic percentage of the Canadian market. Such a measure would be likely to put factories on a sound economic basis and, in some cases, would even make it possible to cut down some prices.

Everybody knows, that a great number of factories are operating now at 60 or 70 per cent of their capacity, simply because they get fewer orders. What is the use of increasing productivity, if goods are to be stored in warehouses?

We are all in favour of greater productivity but when the goal is reached, it is advisable to seek solutions where they are to be found, because no manufacturer is interested in keeping his goods in storage, especially at a time when interest rates are quite high.

As for productivity, in my opinion, the Canadian textile industry is in the vanguard of the technological progress throughout the world thanks to its many investments during the past ten years.

Textile products have only shown slight price increases in recent years, and in some cases, for instance woven fabrics manufactured in primary textile plants the prices have even dropped. This is another reason why we should take strong action in the case of the shirt and other textile industries. Indeed, we have jobs to maintain and assets to protect.

It is time the government took strong action in order to bring some stability in the sector of the textile industry, which stability is necessary if we want people to look to the future with confidence.

Further steps will probably be necessary to ensure the stability of the shirt industry and that of other textile products. I hope the minister will not wait until the last minute to introduce such measures.

At the present time, we are at grips with unemployment, especially with the threat of heavy layoffs in many industrial sectors. This is not the result of a situation that has just cropped up, but rather of a lack of determination on the part of the government.

The Minister of Finance (Mr. Benson) is brushing our proposals aside. He seems to know only one thing: taxation. Well, when the minister of Finance imposes taxes, he takes some purchasing power away from the consumers and therefore does exactly the opposite of what is called for.

However, when the pieces of legislation announced by the Minister of Trade and Commerce are introduced, we will have the opportunity to make proposals.

In conclusion, I must say again that we are far from pleased with the delay in looking into the problems of the textile industry I hope that the legislation now before us will contribute to solve some of the problems now facing the clothing industry.

• (3:40 p.m.)

Mr. Yves Forest (Brome-Missisquoi): Mr. Speaker, since we are discussing a motion of a temporary character and that we will soon have the opportunity to consider at length the matter of textile products and the government policy on this subject, my remarks will be brief.

I hope, as does the Minister of Industry, Trade and Commerce (Mr. Pepin), that this motion, which covers merely an extension of the Order in Council up to November 1971, the expiry date of the Order in Council in respect of the surtax on some shirts, may be passed quickly, because the expiry date is drawing near.

Mr. Speaker, I support the measure passed by the government last June, in order to curb imports of shirts into Canada. As a matter of fact, this measure intends to help an important sector of the textile industry until such time as a new policy on textile products is put into effect as announced by the Minister of Industry, Trade and Commerce here, toward the end of the last session.

We are keenly concerned with the problems facing the textile industry and we have discussed them time and again, in committee, with other members specially concerned with them, and we have, on several occasions, made representations to the responsible government authorities, after many discussions with industries and unions involved.

I can tell the minister that the new program announced has been, on the whole, favourably received by all concerned but, as in the case of all programs, we are reserving judgment until we can see how fast and efficiently it will be implemented.

As the minister indicated earlier, this measure will give shirt manufacturers some protection against massive imports from low-cost countries, or countries where industries are nationalized, until such time as the new Textile and Clothing Board, the membership of which was announced last October, has been able to study and examine the whole problem and subsequently make recommendations to the proper authorities as to steps required to standardize and streamline this industry which is vital for the country.

I know that the shirt industry has been particularly affected for about fifteen years by a constant, immoderate and inadmissible increase of imports which lately contributed to the closing down of a certain number of factories and put others in an unbearable situation.

But the measure which was adopted last June and whose effect will be extended by the passage of this motion was certainly well received by all shirtmakers who are struggling for survival.

I insist that we take as soon as possible all necessary steps to protect at last the textile industry against irresponsible imports and to ensure that this industry whose survival is essential for the economy of Canada and especially of Quebec goes in for short and long term planning.

It should be recalled that in the past we have outdone ourselves in welcoming textile products from developing or low-cost countries. For instance, in 1966, Canada imported, per capita, three times as many textile products as the United States and about twice as many as Great Britain, and this inflow has surely not decreased since.

The shirt industry for several years now has had to face a major volume of imports which reached a peak in 1968 while decreasing to some extent in 1969. But the situation is still critical and we must take action if we care for the survival of at least part of the industry. Like others, the textile industry is in need of a long-term overall policy which will allow it to build-up and modernize accordingly, to contribute as it should to our economy, to create jobs, to pay taxes and, finally, to operate in the same manner as any other responsible Canadian industry.

I know that, at the present time, large investments are in abeyance pending a clearer situation and knowledge of what exact direction will be taken by the industry.

Textile plants are mainly located in centres where the economy needs stimulation, in rural areas especially, i.e. in rural areas of Quebec and Ontario, and in some parts of western Canada. It is urgent to implement the new program aimed at establishing a development structure and conditions liable to create a climate of confidence in which the textiles industry could invest, and also to undertake or carry on the manufacturing of products which could compete increasingly on the international market.

Mr. Speaker, it should not be forgotten that one person out of eight employed in manufacturing in Canada is employed in the textile industry and that, in Quebec, the textile and clothing industry supplies 20 per cent of the jobs in the manufacturing sector. It cannot be blamed for dragging its feet with regard to modernization, because our industry is one of the most advanced in the world, from the technological angle, and has not stopped investing to stay up to date. If the government applies in a quick, efficient and realistic manner the new policy announced by the minister, I am sure that this industry will continue its efforts to adapt to future markets and to contribute more to the progress of the Canadian economy.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I do not wish so much to talk about the resolution which we support, as we indicated by my colleague from Saint-Hyacinthe (Mr. Ricard), as to raise a point of order.

When I began to study the resolution, I referred at once to the statutes of Canada, 1968-69. By looking at the last amendment which dealt with section 7 of the Customs Tariff, I came to the conclusion that this resolution is not legal.

Therefore, we had to refer to Bill C-140 passed during the 1969-70 session to see what was the procedure to follow regarding the acceptance of a resolution concerning the adoption of such an Order in Council. In view of the fact that it has become the usual practice for Parliament to adjourn at the end of June until October, as was the case this year, the printing and binding of statutes stop then. Nobody, except those familiar with Parliament who might have a copy of legislation passed during the last session, would be able to check to see whether or not the resolution is legal and to advise their customers accordingly.

After all, the minister must know that several importers have shirts in their warehouses waiting perhaps for the Order in Council to expire or to be continued in effect through the adoption of the resolution under consideration.

For instance, if a Vancouver lawyer had to advise an importer, he could not tell him whether it is true or not, and in what way he should act, because he would not have the Statutes of Canada for 1969-1970.

That is why I say it is all very well to adjourn the House from June until October, but we should not stop the publication of the statutes passed during the year. The statutes adopted during the previous session are not yet published. I suggest that the House administration services look into this problem, since it affects the people's rights.

It is easy for people from Ottawa or Montreal to meet their representative in the House and to seek his advice, but it is not so easy for those living outside Ottawa or Montreal. I urge the Chair to consider the possibility of taking remedial action.

As for me, I fully support the statement of my colleague from Saint-Hyacinthe, even though he had to limit the scope of his remarks.

I am sure he would have liked to speak a little longer on this but we had agreed that this resolution should be passed quickly, without prejudicing the right of members to state, when necessary, their views and their grievances with regard to the whole textile industry in Canada which, in passing, is not concentrated in eastern Canada alone. Indeed, there are a few sizeable shirt and men's wear factories in my own town and in my own constituency.

The Acting Speaker (Mr. Laniel): Order. The Chair appreciates the remarks made by the hon. member for Edmonton West (Mr. Lambert) and receives them as a grievance or, perhaps, as a clarification on an administrative problem that may come under the jurisdiction of the Chair. Whatever the case might be, his remarks will be taken into consideration.

[*English*]

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, I do not wish to take any lengthy time in putting forth my views on this subject, but I do feel that perhaps there has been some avoidance of the real subject as a result of the unanimity in all parties.

[*Translation*]

In this regard, I agree with the hon. member for Beauce (Mr. Rodrigue) whose remarks were the clearest, the most complete and the most to the point, although I do not accept them all without reservation.

[*English*]

The points which I would like to raise and which I think are the most important are, first, that this is a particularly negative type of action for a government to take, especially at a time when many people suspect we are entering into a period of trade war. All those who have read the financial pages of the newspapers will be aware of the great concern there is about restrictive Common Market policies and restrictive United States policies. I feel it is most unfortunate that we are being asked to approve such a measure which, to my mind, although it may be perfectly legal under GATT or any other international agreement, nevertheless is extremely restrictive.

• (3:50 p.m.)

We should point out that the countries affected by this particular measure are not the rich countries. They are countries which generally are much poorer than ours. In many cases they are countries which through their own very hard efforts have raised their standard of living above what it was some time ago. They have developed industries and wish only to be able to trade with the wealthier countries of the world, such as ours. This measure is not designed against the United States of America or against Japan. It is a measure damaging to Hong Kong, Singapore, Malaysia, China and India. This aspect should be considerd, and it has not been considered as yet.

Further, Mr. Speaker, I point out that this particular resolution is contradictory to the Canadian government's white paper on foreign policy with respect to external aid. This aspect has been completely ignored by previous speakers, and I do not think it has been properly explained by any minister in the House.

Another aspect I would like to deal with is quite different, and it is that this particular measure bears most heavily on those Canadians least able to bear it. If we maintain an artificially high price for shirts we are hurting the man on the lowest income scale in Canada and indeed, in these days of unemployment, the man who is without income. It is all right to say that they do not have to wear shirts, but that is as absurd as Marie Antoinette suggesting, "If they can't afford bread let them eat cake." This is ridiculous. The Canadian who has a good income can afford to buy Canadian made shirts or quality imported shirts, but the Canadian with no income at all could benefit substantially from buying a shirt which costs $2 instead of $5.

Having said that, Mr. Speaker, I should indicate that it is not my intention to suggest that aid should not be given to the industry. But this type of aid which forces prices up, and which forces the low income consumer to pay the higher cost, is the wrong one. If we need to pump $100,000 or $500,000 into the Canadian shirt industry let us take it from general tax revenues to which we all contribute, and let us not force the consumer, who may be a low income consumer, to bear the entire burden. The method which is being adopted by the government is wrong in principle and will have unfortunate effects.

I have one further point to make, Mr. Speaker. We have long heard of the problems of the shirt industry.

We have long heard that subsidies are necessary to make sure that our Canadian shirtmakers can be more competitive. Indeed, we have even been told that maybe one day they will be able to export. I do not know how they will be able to do that, if they are now incapable of resisting imports. But, Mr. Speaker, we have heard all this, and perhaps it is time for the minister and his department to get down to deciding how precisely they are going to go about it.

This idea of temporary measure put upon temporary measure, extended for six months, and extended for a year, is simply not good enough. If it is a viable industry let us assist it properly. If not, we should retrain the workers in it, and import shirts. But let us not continue with a policy that is plainly no policy at all. I hope that in his closing remarks, the minister will make some comment on this matter because we have heard a great deal about a new policy in this House today, about how in the future things will be better, and that we will not need this type of protection. However, we have had very little inkling of what such a policy might be, or indeed if there is any possibility of achieving this goal through any change in government policy.

It is disappointing to me to see the hon. member for Okanagan-Boundary (Mr. Howard), coming from the west and theoretically a free trader, supporting such a measure. But of course he happens to be a parliamentary secretary and thus is in the position of supporting his minister. Perhaps it only indicates that we British Columbians are all protectionists at heart, and our reaction depends on whether the policy touches our areas. In any event, I do hope that sometime before the end of the debate we will hear some figures and facts with respect to how many workers are protected, about how long this protection has been given, and about how long it is expected similar temporary measures will be put one on top of the other. I should like to know, too, what the decline in shirt production in Canada has been in the last few years as a result of foreign competition, and when we can expect a new and viable program which will get the shirt industry out of the problems it now faces?

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, the following motion appears in today's order paper:

That this House, pursuant to subsection (1c) of section 7 of the Customs Tariff, do approve that the Men's and Boys' Shirts Surtax Order, being Order in Council P.C. 1970-959 of 2 June 1970 made under subsection (1a) of section 7 of the said Act, continue to have force and effect until the 29th day of November, 1971.

Mr. Speaker, it is not very often that the Minister of Industry, Trade and Commerce (Mr. Pepin) deserves congratulations, but since he was kind enough to introduce this motion concerning our imports, I must recognize that he made a commendable effort.

Unfortunately, this order is restricted in part to imports from Korea. As regards Canada's purchases in that country, its implications are rather insignificant.

• (4:00 p.m.)

And the only item that may be of advantage to us is found in paragraph 2 of the Men's and Boys' Shirts Surtax Order, of which I got a copy in French from the Library. This paragraph reads as follows:

2. That the import of woven fabric men's and boys' work, dress and sports shirts shipments of which the Republic of Korea has not duly approved for export to Canada under the restrictive agreements reached between Canada and the Republic of Korea threatens serious injury to Canadian producers of men's and boys' work, sports and dress shirts;

The third paragraph reads as follows:

3. That the government of Korea has agreed that the Canadian government should take appropriate measures to help control shipments which are not approved for export;

So Korea is prepared to control its shipments whose export is unauthorized, which means that men's and boys' shirts may still have access to the Canadian market provided they come from either Japan or China.

I quote paragraph 4:

4. That subsection (1a) of section 7 of the Customs Tariff authorizes the Governor in Council, when satisfied that goods of any kind, the growth, produce or manufacture of any country are being imported into Canada under such conditions as to cause or threaten serious injury to Canadian producers of like or directly competitive products, to order that the goods be made subject to a surtax at such rate as is specified in the Order;

Mr. Speaker, I will read again these words which struck me:

—the Governor in Council, when satisfied—

I will say that the Governor in Council is hardly prepared to take advice and consequently, very hard to convince that mass imports threaten Canadian manufacturers.

The proof of it is, Mr. Speaker, that all the recommendations made to that effect in this House in recent years, recommendations made by the supposedly democratically elected members, have been completely ignored. The manufacturers meet the minister, explain their problems, make suggestions, but His Excellency is not convinced.

Plants close down in St. Jérôme, Granby, Sherbrooke, Grand-Mère; thousands of Canadians lose their jobs in plants located in Beauce, Drummondville, Montmorency, Trois-Rivières, Montmagny, and the minister is still not convinced. To convince him, he needs the report of his political friends, Messrs. Jacques St. Laurent, Annis and Campbell, whom he recently delegated to go and see. Mr. Speaker, I suppose the next time he meets those boys, there will be musical entertainment; he can sing them the song entitled: *Dis-moi ce qui ne va pas?* (Tell me what the trouble is.)

Mr. Speaker, if Mr. Jacques St-Laurent, a lawyer, was experiencing financial difficulties, it really was not worth asking him to tell us what we already know about the textile industry. All he had to do, as all other victims of the present system and administration, was to go to the office of the Family and Welfare Department in Quebec,

and he would have been given the minimum rates set for such cases.

The present administration is no way different from its predecessors. In fact, this way of messing about that is leading the country to stagnation is unfortunately the consequence of our colonial status.

We have always exported our resources and raw materials at ridiculous prices to England or to the United States which promptly process and refine them in order to sell them back to us at high prices.

Today, we are still facing the same problem. To please our mother country, Great Britain, and especially those capitalists who have become manufacturers in Hong Kong and Japan, we have entered into agreements which contribute to fill Canadian warehouses to the point of practically disrupting several sectors of our economy, and the footwear industry is not spared either.

The Association of Shoe Manufacturers which has been trying since 1954 to draw the government's attention to those conditions, pointed out on December 12, 1966, when submitting its fifth brief, that "shoe imports represented 47 per cent of the Canadian production."

Such was the situation in 1966 and the then Minister of Trade and Commerce was not convinced either.

His administration gave proof of it. Indeed he gave us such proof on January 16, 1967, as reported on page 11284 of *Hansard*. At that time I asked the hon. Minister of Trade and Commerce the following question:

Is the minister aware of the difficult situation in which the Canadian shoe manufacturers now find themselves due to excessive importation of these products from Asian and communist countries?

If so, will the hon. minister inform the house as to the steps he intends to take in this regard; also, will our representatives in Geneva be advised in time to avoid a catastrophe in this industry?

The hon. Robert Winters, the then Minister of Trade and Commerce gave me the following answer:

—this matter has been brought to my attention before and it is under consideration. It is a fact that imports of shoes have increased, but domestic production has substantially increased too.

Today it is the same. Last spring, the hon. member for Bellechasse (Mr. Lambert), made an eloquent speech in the House and referred to DBS figures. These showed that from 1956 to 1969, when the Canadian population increased by 33 per cent shoe manufacturing decreased by 1 per cent. In the same period, there was a 568 per cent increase in shoe imports.

As a result plants closed down and thousands of workers were laid off in Canada. At the same time, employment rose from 90,000 to 107,000 in Italy, a country from which we import.

After examining the Association's last brief, the one released last spring, I asked the minister the following question as recorded on page 8338 of the Official report of the House of Commons Debates of June 19, 1970:

In view of the fact that shoe imports which have been tolerated to date place our Canadian manufacturers on the brink of bankruptcy, can the minister tell us if he intends to recommend that the customs tariff be amended with a view to correcting the situation.

[Mr. Godin.]

The hon. minister answered:

Mr. Speaker, I am at the present time reading the brief submitted by the Shoe Manufacturers Association of Canada. This document contains certain questionable statistics.

The minister has doubts about figures supplied by the Dominion Bureau of Statistics. If this is not somewhat dishonest, Mr. Speaker, I wonder what is.

In front of such criminal carelessness, unemployed people, manufacturers, in short the general public have come to the point where they question the honesty of the minister. If he intends to make up for that, I think it is high time for him to take action.

If at one time he held the position of Minister of Energy, Mines and Resources, it is because someone in Parliament believed he had a little energy.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member but I must remind him that he may not in the House make any insinuations concerning the integrity of a minister or of an individual member.

Therefore, I would ask him to continue his remarks and refrain from making insinuations towards an hon. member or attacking his integrity.

Mr. Godin: I thank you, Mr. Speaker. I shall comply with the rules.

It is on account of some ministers that there is so much inertia in Parliament.

There are unemployed people in all constituencies because somebody does not assume his responsabilities, thanks to the protection afforded under the Standing Order.

At any rate, I say in conclusion that the time of disappointment has been long enough for us and, as our good friends of Quebec said in 1960: it is time for a change.

I can assure the House that I approve the motion proposed by the hon. member for Beauce (Mr. Rodrigue) in order to obtain a better control over imports.

[*English*]

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I should like to make a few remarks in connection with the subject before us to answer some of the very good points raised by members on both sides of the House and thank them for their contributions to the debate today.

We have had a number of interesting comments but I should like to correct some misimpressions as I go along. I should like to refer to the comments by the hon. member for Esquimalt-Saanich (Mr. Anderson) and suggest to him that perhaps, in the spirit of western freedom, there is some room to consider workers all over Canada who are unduly penalized by changes in our trading patterns. I should like to remind him that those who have suffered from the changes that have taken place in our textile industry are not confined to any one province of Canada but are spread all across the country, including our own province of British Columbia.

As Canadians, we recognize our responsibility to the developing countries of the world. We are concerned that they have an opportunity to trade in our markets and we are concerned that nations that buy from us will have an opportunity to sell to us. I should like to point out that as far as this particular commodity is concerned we have more than done our share. For example, we consume twice as many imported textiles per capita as do the people of the United States. We consume many times the number of imported shirts per capita as do the people of the European economic community.

Mr. Hogarth: We are always losing our shirt.

Mr. Howard (Okanagan Boundary): We do not take a back seat to anyone in sharing the load of offering trading opportunities to the people of the developing world. We have had to pay a considerable price to do this. I have great sympathy for the members who have spoken on behalf of workers in their ridings who have suffered because of the changes that have taken place in our trading patterns.

• (4:10 p.m.)

According to the figures which I have, approximately 1,400 workers in Quebec, 3,000 across Canada in the shirt industry have lost their jobs. I think at some point we have to call a halt to this depradation. The hon. member for Waterloo (Mr. Saltsman) said that free trade must go hand in hand with economic planning. We cannot disagree with this point except to say that we should use the words "freer trade" because this is the objective towards which we are working. I think the hon. member for Esquimalt-Saanich recognizes that we are working for freer trade. In good conscience, we cannot see established industries wiped out by a program of freer trade.

Canadians can be proud of the fact that our exports to countries around the world are growing tremendously. If we are going to be fair to our fellow Canadians, we must allow some opportunity for adjustment and acceptance of these changes. This is what the motion deals with.

The government has appointed a Textile and Clothing Board to examine the situation that exists in the textile industry. This board has the power to recommend changes to the government which would enable existing industries to adjust and change, thereby making it possible for them to employ their workers in new lines of endeavour which will enable them to earn their living.

The emphasis of this program is to have industries concentrate on style promotion in order to develop export markets which do not presently exist. The emphasis is also on restructuring the industry. It is anticipated that our shirt industry will enjoy $1 million in export business this year, the textile and clothing industry as much as $200 million.

So, the shirt industry will be able to adjust to these changes, the government is making available a full range of programs to assist the industry, including consultations with economists and experts of the Department of Industry, Trade and Commerce. It also includes the range of help available to the industry under the GAAP program. I remind hon. members that the GAAP program has been very successful, not exactly of a stimulating nature, but in the nature of making a change such as was made in the automotive industry. This is what the government is prepared to do.

It is most important that these adjustment programs be successful. As I said a moment ago, the industry is suffering considerable depradation. In 1966, for example, the Canadian shirt industry accounted for approximately 90 per cent of that market. In 1970 it will account for approximately 55 per cent. This is a considerable shock to that industry and it must have time to adjust. I think these adjustment programs which the government is suggesting will be effective, but a reasonable time is required to have them established.

The government is asking that the order be extended until November 19, 1971. During that period the Textile and Clothing Board will have an opportunity to make recommendations that will aid the industry and which will guide the government in introducing measures to help the industry to adjust.

I know that all members want this measure to be expedited. A number of excellent points were made by members this afternoon for which I thank them. The hon. member for Beauce (Mr. Rodrigue) suggested there should be a quota system with regard to shirt imports. I remind the hon. member that at the present time there is an excellent voluntary restraint system for countries with which we trade in this area. Today we are engaged in a measure to bolster this system.

In conclusion, I recommend the speedy passage of this measure.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

PUBLIC ORDER (TEMPORARY MEASURES) ACT, 1970

PROVISION OF EMERGENCY POWERS FOR PRESERVATION OF PUBLIC ORDER

The House resumed, from Wednesday, November 25, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-181, to provide temporary emergency powers for the preservation of public order in Canada, be read the third time and do pass.

Public Order Act, 1970

Mr. Arnold Peters (Timiskaming): Mr. Speaker, third reading is the stage at which we decide whether a bill should be passed. Some members opposite decided this bill should be passed long before it was even introduced. If they had paid attention to the debate, they would have realized that some very important amendments were moved, none of which were accepted.

When the War Measures Act was introduced there were many rumours in Parliament and throughout the country regarding the necessity for this measure. The charge was made that many of us did not understand the problems. After seven weeks, most of the information is available to the public. We can now make a decision on that evidence rather than making a supposition on information received from very doubtful quarters.

In the November 25 edition of the Montreal *Star* there is a statement by the Quebec Minister of Justice, who has been given a great deal of authority and latitude by this government under the regulations of the War Measures Act. That minister disagrees with the situation as stated by the Minister of Regional Economic Expansion (Mr. Marchand). The headline of the article reads: "Choquette slams Marchand's estimate of 3,000—FLQ strength 'highly exaggerated'." I read from the article:

"There are maybe 100 or 125 active members of the Front de Liberation du Quebec in my opinion," Mr. Choquette said.

"Mr. Marchand has his own way about him. His statement was highly exaggerated. There were far too many conflicting comments and opinions coming from Ottawa during the crisis."—

Mr. Choquette shied away from answering directly any question on government reasoning but, though the answers he did give, left the distinct impression that all, or at least most, of the facts behind the Quebec position have been bared.

• (4:20 p.m.)

There are many who do not blame the government for responding to the request from Quebec in the way it did. To be fair to the Prime Minister (Mr. Trudeau), he was one of the few Liberals who thought it was necessary to replace the War Measures Act with some less onerous legislation. There are probably many members of his party who would gladly have given him dictatorial powers had they been asked to do so. One Liberal member indicated yesterday that some Canadians might have to lose their freedom for the sake of the protection of 22 million other Canadians. It seems to me that if freedom is of any importance to the Canadian public, then the freedom of one individual is also a matter of importance. If this view is not shared, it appears to me that the liberties of the 22 million he mentioned are really not worth very much.

I am interested in the position taken by some of the Quebec members belonging to the Ralliement des Créditistes. They have expressed concern about the effect this legislation will have in limiting freedom in their province. I am surprised that other members from Quebec are not equally concerned. The bill before us goes very far in limiting the field of the powers contained in it to one particular province. The people of Quebec must feel ashamed that they have been unable to deal with these

[The Acting Speaker (Mr. Laniel).]

terrorists. In practice, I believe very few people will be convicted under the War Measures Act or any replacement measure; most will be convicted under the Criminal Code. But no suggestion has been made that we should strengthen the Code so as to keep abreast of present day situations. If the government can show it is necessary, I believe the Criminal Code, applicable to all Canada, should be strengthened in this regard.

In my opinion the government has taken a static position with respect to the situation in Quebec. Though it assisted and, one might say, directed the provincial government in connection with the request made for assistance, when it came to the administration of the legislation, Quebec was left to act on its own. In the past few days the government has been asked to accept changes in this bill, removing the retroactive clause and improving the measure without in any way limiting its effectiveness. I am surprised that none of the Quebec members across the way supported these efforts. After all, they are not provincial members, though they act like provincial members; if they are provincial members, then they are ones who are not able to make it in Quebec, so they came to Ottawa. If they are representatives on the federal scene they should obviously have been asking the federal government to make provision for a review board to look into abuses. Obviously, there will be abuses. Some of them might consider the story coming out of Montreal of a girl being taken to the local gaol, stripped, felt all over, required to discuss her sex life for three hours and then sent back home after being told that if it was to her advantage they would send a couple of policemen home with her and they would probably be able to take her mind off politics and keep her out of trouble. Some members may believe there is no need for a review board, but it seems to me there is.

Sitting on the government benches are many members from the Province of Quebec who are both capable and intelligent. I am concerned that they have not chosen to give others in this chamber the benefit of their advice so that we might solve some of the difficulties which underlie the present situation in the province. Much of the trouble lies within the jurisdiction of the Minister of Regional Economic Expansion (Mr. Marchand); it involves education, it involves the provision of work for the unemployed, it involves proper training for those about to enter the labour market, it involves making people in Quebec feel they have as good an opportunity on the Canadian scene as has any person in any other part of the country.

If there was any reason originally for passing this legislation, it has now disappeared. The situation is totally different now. Underlying it is the need for social and economic improvement, and again I regret that hon. members from Quebec did not take a position which would have supported the efforts put forward by others in this chamber who do have an understanding and a knowledge of the difficulties facing that province.

Some of these difficulties come to my attention from time to time. Last week 20 students from the Province of

Quebec came to my office to make inquiries about obtaining assistance in securing from the Province of Quebec loans of the type the federal government is sponsoring in other provinces so that they could continue their education. They now attend a college in my riding, and Quebec does not provide them with the federally-guaranteed student loans, because they are outside the province. It is my contention that many of these questions fall within federal jurisdiction and I am therefore surprised that more members from Quebec did not take the opportunity to contribute to the discussions which have been before us. Apparently, their only intention is to take part in the vote, though this may well result in a decision to continue a kind of legislation which many of us feel will not solve any of the problems of the province, problems which are severe enough to warrant attention by the federal government. For these reasons I am opposed to this legislation, and will so vote.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, a little over a month ago, the government felt he had to proclaim the War Measures Act in order to cope with the increasingly alarming situation in Quebec. After this legislation was passed in Parliament, we supported its implementation without mental reservations in view of the serious situation in the province of Quebec.

At the same time, the government promised to introduce temporary legislation to protect the public against terrorists. The right hon. Prime Minister (Mr. Trudeau) then addressed a personal letter to opposition party leaders, inviting them to submit suggestions concerning the introduction of a bill acceptable to Parliament as a whole.

Now, when reading Bill C-181, we see that the suggestions invited by the government were totally ignored, in other words, that a hypocritical tactic was used to introduce Bill C-181, an act for the preservation of public order.

Mr. Speaker, we do support a bill for the preservation of public order, but why did the government choose to invite our suggestions and then ignore them, thus letting the public believe that in the name of democracy suggestions from the opposition were invited.

Now, what suggestion from the opposition can we now see in Bill C-181?

• (4:30 p.m.)

I am sure that this bill was already drafted in its present form when the government asked us for suggestions.

For instance, we suggested the reinstatement of the death penalty. Some said: What primitive people they must be to ask for the reinstatement of the death penalty. However, almost everywhere in the world where capital punishment was abolished, now people ask for its reinstatement, and this even in Great Britain, the United States and France. As late as this morning, I heard news to the effect that reinstatement of capital punishment is being sought.

Here in Canada, people are shocked at the idea, including the Secretary of State (Mr. Pelletier), also hon. member for Hochelaga. In his speech of November 5 in this House, the Secretary of State attacked the leader of the Ralliement créditiste. He congratulated him, and I quote:

> —for having seen the danger that was threatening the province of Quebec and Canada because of the present crisis; unfortunately my congratulations must stop here—

He added:

> I must also tell him, through you, Mr. Speaker, that I am not the only one who has been deeply troubled about some of the stands he took. When, for example, he suggested that, without trial,—

I draw your attention to the words "without trial"; the Secretary of State made that up. I shall now resume the quotation:

> —without trial, presumed members of the FLQ, already detained, should be placed before a firing squad—

I never spoke of presumed members of the FLQ that should be placed before a firing squad. The FLQ leaders were those involved. And then, the Secretary of State went on to say:

> —presumed members of the FLQ, already detained, should be placed before a firing squad and that ten of them should be executed for each one of the hostages held by the FLQ, I do not think that he was speaking in a responsible manner, nor in a manner worthy of a civilized nation.

Mr. Speaker, after the attacks carried out by members of the FLQ, acting on orders from their leaders, the Parliament in Ottawa and the National Assembly in Quebec City decided to protect public figures, including the Secretary of State, by posting policemen or soldiers at their doorstep.

Everybody knows that the Secretary of State is well protected and if anyone attempts to break into his home, the soldier or the provincial, federal or municipal policeman would have the right to fire point blank at the intruder. And no one would be shocked by the protection given to the Secretary of State. Even the Secretary of State would not object to a soldier or a policeman shooting at whoever would attempt to kill him or even to manhandle him.

The Secretary of State takes this protection for granted because he is the Secretary of State and a member of Parliament; therefore, would it not be logical to extend the same degree of protection to the people and the society of Canada!

The Secretary of State, among others, is responsible for the present situation in the province of Quebec. He may say that he is opposed to violence but the sort of violence we now witness in Quebec and elsewhere, even in Vancouver, was not born yesterday. I heard, two or three days ago, the leader of the parti québécois, René Lévesque, blaming it on everybody, calling everybody a manipulator, a slave of Ottawa, a slave of the "Canadians", and of the Anglo-Saxons.

Terrorism has not been invented by René Lévesque but, as I said last night in North Bay and as I repeat now, the Quebec terrorism was born thanks to Pierre Bourgault who, in 1961-1962, created a movement which was called Rassemblement pour l'indépendance nationale. At that time, the movement included people such as Pierre Bourgault, André D'Allemagne and a few others who started spreading terrorism throughout Quebec.

When the Queen came to visit Quebec City at the invitation of the Quebec Prime Minister, the hon. Jean Lesage, people had been warned months before that the Queen would not be welcome there. Then, steps were taken to prevent her from appearing in public in Quebec City. Pierre Bourgault, D'Allemagne and the members or leaders of the Rassemblement pour l'indépendance nationale took care of that.

The parti québécois was born following Jean Lesage's defeat and René Lévesque became its leader. This is when the RIN withdrew and immediately joined the parti québécois. This means that Lévesque, who protests that he is not violent, became the leader of Pierre Bourgault and other people of his kind that were members of the Rassemblement pour l'indépendance nationale.

Mr. Speaker, René Lévesque says that he is opposed to violence but it is the members of the Rassemblement pour l'indépendance nationale that probably worked hardest in favour of Lévesque who is now bursting with anger against anyone pretending that the terrorists now in jail have worked for the election of parti québécois members on the occasion of the elections of April 29 last.

Mr. Speaker, I have with me newspaper entitled "Deux mai" published in Quebec City by terrorists from the Limoilou CEGEP, young students who urge all the others to follow them. What do we find in this newspaper of April 23, 1970? Here is what it said:

The FLQ in Quebec City.

It was not yesterday, but in April, and I shall not mention a number of activities which these young people engaged in. Following the events connected with the visit of the Queen, we witnessed the Saint John the Baptist festivities in Montreal, which the right hon. Prime Minister had been warned, six months in advance, not to attend.

What did the Secretary of State do then? And, as I said before, for a whole year he did nothing to stop the terrorists from committing their offences in Quebec. He was afraid to clean up the CBC, as I have been asking him for the past two years. Yet, he is the one responsible for that government agency.

Some hon. Members: Hear, hear!

Mr. Caouette: Every time a well-known communist showed his face in Canada, he was invited to address the people through the CBC, on the French as well as on the English network, and the Secretary of State never had the fortitude nor the common sense to complain to the CBC authorities.

Some hon. Members: Hear, hear!

[Mr. Caouette.]

The Secretary of State thinks that I speak violently, but one must do violence to one's feelings in front of people as irresponsible as our Secretary of State.

Mr. Speaker, in the article entitled "The FLQ in Quebec City" to which I referred earlier, what do we find? It says that Charles Gagnon, now in jail, professes to be a leader of the FLQ. When I said that the government knew who were the FLQ leaders, the Secretary of State said that it was a lie.

Mr. Speaker, Gagnon and Vallières said themselves: "We are the leaders of the FLQ". But they were freed because it was not too sure whether they were or not, even though they made no bones about it.

• (4:40 p.m.)

Charles Gagnon was in Quebec City on Thursday, April 9 last, at the Laval University Sciences auditorium. Were also present with him: Jacques-Larue-Langlois, journalist and head of the Vallières-Gagnon committe, Christian Lamontagne of the FLQ, Pierre Cloutier and Robert Lemieux,

—the same Robert Lemieux who is now in prison, the defender of FLQ supporters—

—two lawyers who champion political causes in Quebec.

Did the Secretary of State not know that in April? He did.

During that meeting which was attended by some two to three hundred persons, a demonstration called "Operation Vallières" was announced for the following May 12 in Montreal. That demonstration was intended to achieve three purposes:

First, the liberation of the political prisoners (11 nov.).

Eleven, at that time. Are those terms not the ones that were used in the FLQ communiqués?

They are asking for the liberation of political prisoners! Those so-called political prisoners are criminals. Was the hon. Secretary of State opposed to that? No! Glued to his seat by two inches of Lepage glue, he did not have the courage to protest against those people.

At noon, three Liberal members asked me to warm the Secretary of State's ears.

Some hon. Members: Hear, hear!

Mr. Caouette: They said that on November 5, instead of talking about the war measures or the new bill, the Secretary of State kept on flinging abuse at the Ralliement Créditiste.

Three Liberal members came to see me at noon, in the Parliament restaurant and told me: Mr. Caouette, warm his ears! Well, that is exactly what we are going to do! and large hands will be necessary, because he has long ears.

However, we will manage to do so. I continue to quote:

Secondly, denunciation of the present legal system to which will be substituted a justice administered by the people.

Those are typical communist terms. The same thing was said in Russia 50 years ago and it is repeated in Canada today. The Secretary of State tells us: We are civilized people, we cannot do nor say anything about it.

The Secretary of State is as timid as a hare! Unfortunately he is not in the House.

Recently, when he spoke, he mentioned that the member for Témiscamingue was not in the House. I am here much more often than the Secretary of State! This afternoon, I would have liked him to remain seated after the question period, but unfortunately, he ran away.

I continue to quote:

Third, a demonstration by the Quebec people to show that they endorse the deeds performed by the political prisoners.

These are the main points of the manifesto that we have heard over television, the public radio network and that we have read in the newspapers. What they hope for in Canada is a demonstration by Quebec people to show that they endorse deeds performed by political prisoners such as kidnappings, assassinations, bombings, armed robberies and holdups. The hon. Secretary of State has never expressed his opposition to them, never! Was he giving the FLQ his blessing? I do not know.

Mr. Speaker, there is a limit to be taken in, as we now are by "guys" like the Secretary of State. I keep on reading this article.

The Operation will take place perhaps at the same time in Quebec, and at other times also in Vancouver, Regina and Toronto.

They do intend to undermine not only Quebec but the whole of Canada as well. This is why my colleagues objected yesterday and the day before to the fact that this legislation is aimed mainly at the province of Quebec instead of Canada as a whole.

The Minister of Justice (Mr. Turner) rose yesterday and told us, in order no doubt to reassure my colleagues that, to be more specific, this act will be applied everywhere in Canada, not only in the province of Quebec.

This legislation may be applied by the Attorney General of Ontario, by those of Quebec or of British Columbia, no matter which one. But it will have a national scope. We agree about that. However, we do not want any discrimination nor any special status for Quebec. We want all the provinces of Canada to be treated the same.

I go on with my quotation:

Gagnon also asked the people not to confuse the PQ with revolution.

This means Levesque's party and revolution.

This party's action is but the beginning of liberation.

Gagnon claims that the action undertaken by René Levesque's party is only—

—the beginning of liberation, that it wil be necessary to develop a revolutionary spirit.

It is not the leader of the Ralliement who says that, but Charles Gagnon, a friend of René Lévesque, who claims today to be against violence. However, all those who advocate violence are with Lévesque. It is quite paradoxical, but it is true.

I go on quoting:

Constitutional independence is such only on paper.

Let it be known to those who want to rewrite the constitution, to amend it or move subamendments.

Let it be known to the provincial premiers who meet every year in Ottawa with the Prime Minister of Canada to say that the constitution must be amended.

What will be amended? We don't know; nevertheless, we must amend it. What will we do? What amendments shall we move? Nobody knows, but task forces will be set up in British Columbia, Quebec and Ontario to consider what should be changed in the constitution, when it allows us to be what we are right now.

In my opinion, we should start out by respecting the present constitution before thinking of amending it, without knowing what is to be amended. Let us therefore start by respecting it.

We are quite free to say what we have to say without giving anyone a hard time.

Mr. Vital Barbeau wrote as follows, and I quote:

Constitutional independence is only such on paper and is meaningless if we remain subject to American capital.

That bears some resemblance to NDP theories. NDP members are against it, but their government in Manitoba is now constantly borrowing from the United States. About the Parti québécois, we can read the following:

Even if it is "full of people of good will",

And further on:

—it is sorry that they do not follow through a little more with their ideas. The fact is that the acceptance of the electoral process is the beginning of prostitution, an incurable ailment prevalent among our governments and their politicians.

Our Quebec comrade visited the same day the François-Xavier Garneau College, and later, the Limoilou College, on Thursday, April 16.

Who is our "Quebec comrade"? Charles Gagnon, a leader of the FLQ. That is not all. This little newspaper was distributed all over the Quebec City. I will say to René Levesque who gets in a rage against all those who do to share his views, that I am not the one who accuses him of being violent! I said that he gathered all the terrorists in the province of Quebec and I maintain my statement.

On the last page of the same newspaper, these students, who have the right to vote, state:

Even if the Parti québécois is not all you might want it to be, even if there are climbers and small time politicians in the Parti québécois, even if the independence proposed by the Parti québécois is only a very small step towards the liberation of the people of Quebec, even if we are sometimes disgusted by the Parti québécois—

—they even go as far as that!

—we will nevertheless vote for the Parti québécois.

I quote further:

Because in the Parti québécois, there are honest men and a good many more than in other parties, because the Parti québécois represents the first attempt at democratizing parties.

According to these people, destruction will settle the problem. We must then vote for the Parti québécois—

—because the Parti québécois at least allows the achievement of political independence for Quebec, a prerequisite to its total liberation. Because, as compared to the other dirty parties, the Parti québécois looks far cleaner. Because we must settle this real quick and get rid of the clique of dispensers of patronage of old-line parties.

This is written in a newspaper. And I am not the one who printed it? René Lévesque is aware of all this. Why is he picking on everybody? He is the one who acted, not us. Terrorism will spread throughout Canada if our government does not assume its responsibilities.

My colleagues have strongly emphasized the importance of economic reforms. The intentions of the Quebec and federal governments are not good enough. Canadians are not asking for intentions, they want results.

The people of Canada want to have the right to live in peace, to be treated in all fairness, to be free and secure. That is what we care for. Unless the people get what they want, we shall experience more trouble within the next few months.

There is talk about checking unemployment and, at the same time, the number of unemployed goes up. There is talk about giving some hope to our young people when there is no hope. There is talk about giving the family a normal status which would enable it to develop normaly in a normal society; nevertheless, in the province of Quebec at this moment, there are 175,000 jobless. Something like 140,000 families are living on social welfare allowances.

Students want to be allowed to earn a living after they finish school but they cannot find jobs. Last summer, at least 400,000 students could not find a job to enable them to go back to school. These students would be quite ready to integrate into our society, but unfortunately, they have no opportunity to do so. Should we wonder then when we see young people rebelling against this society into which they cannot integrate?

Let us reform what needs to be reformed. Surface reforms are not what the people need. I saw the honourable Minister of Regional Economic Expansion (Mr. Marchand) make fun of Social Credit solutions. However, this morning I read in an editorial by Alain Guilbert published in a newspaper which is not in favour of Social Credit, namely, Sherbrooke's *La Tribune:*

For Quebec, the deterioration in the social climate will be all the more tragic as we know its potential effects, namely, the recurrence of terrorist movements such as the Front de Libération du Québec—The solution is not an easy one, but perhaps we should examine Social Credit proposals seriously.

Instead of deriding them, why not examine them? Is it jobs that people are asking for, or money to buy existing products? Let us distribute the money to Canadians and enable them to buy those products, and then the Canadian economy will become prosperous again.

[Mr. Caouette.]

• (4:50 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Moose Jaw (Mr. Skoberg)—Consumer Affairs—farm machinery price increases proposed by White Motor Company; the hon. member for Lotbinière (Mr. Fortin)—Canadian Broadcasting Corporation—Appointment of Royal Commission on Attitude towards recent events in Quebec; the hon. member for Brandon-Souris (Mr. Dinsdale)—Agriculture—Alleged loss of Quotas by Western Canada Dairy Farmers.

The House will now proceed to consideration of Private members business as listed on the order paper, namely, Notices of Motions, Papers.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, are we to deal with Notice of Motion No. 51 in the name of the hon. member for Winnipeg North Centre (Mr. Knowles)? I have not observed, Sir, whether we have already stood the motions which preceded that.

Mr. Speaker: Notice of Motion No. 34 in the name of the hon. member for Winnipeg North (Mr. Orlikow).

Mr. Knowles (Winnipeg North Centre): Stand.

Mr. Speaker: Notice of Motion No. 60 in the name of the hon. member for Vancouver-Kingsway (Mrs. MacInnis).

Mr. Knowles (Winnipeg North Centre): Stand, Mr. Speaker, and the next several motions will all stand.

Mr. Speaker: I understand there are a considerable number of motions standing in the name of the hon. member for Vancouver-Kingsway subsequent to No. 60. Is it agreed that these stand?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

HEALTH AND WELFARE

WELFARE AND INCOME SECURITY—REPORT OF DR. J. W. WILLARD

The House resumed, from Thursday October 29, consideration of the motion of Mr. Knowles (Winnipeg North Centre):

That an Order of the House do issue for a copy of any reports or reviews with regard to social welfare legislation and income security prepared by or under the direction of Dr. J. W. Willard, Deputy Minister of Welfare for Canada, since June 25, 1968.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, this motion having been considered previously and debated for some 50 minutes, the rules provide that the whole debate may extend for 90 minutes whereafter there can be a five minute resumé by the minister and a five minute closing by the proposer of the motion. Then, the bells would be rung for a vote. After discussion, it has been suggested that the most expeditious way to dispose of the matter now would be for the Parliamentary Secretary to the minister to speak for five minutes, followed by a five minute closing by the hon. member, and then the members would be called in for a vote.

• (5:00 p.m.)

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Gaston Isabelle (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I wish first to express to the hon. member for Winnipeg North Centre (Mr. Knowles) my admiration for the way he conducted the debate.

His perseverance in dealing with questions related to social welfare and income security is, of course, very commendable and I hardly need to point out that the questions he raises so frequently in the House are of the greatest interest for the government and particularly for the Minister of National Health and Welfare (Mr. Munro).

Mr. Speaker, the report prepared by Dr. Willard, Deputy Minister of Welfare, is only a working document which summarizes the long experience of this eminent civil servant in the field of social welfare and income security. His work is but an appraisal of social security in Canada covering several years and, I repeat, this is only a working document for the time being.

It has never been the practice of the government in the past—and I am convinced it will maintain this line—to table working documents prepared in whole or in part by its officers. I can only renew the request from the hon. Minister of National Health and Welfare to the hon. member for Winnipeg North Centre to the effect that, having listened to these explanations, he might withdraw his motion.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in closing this debate may I point out that what we are asking for is the tabling of the Willard report. I can find no better words to describe this report than those just used by the Parliamentary Secretary. He said it is a working document. That is exactly the point. If it were a white paper, or a statement of government policy, and if the government wanted to change that policy, I could understand its reluctance to table such a document. The Willard Report is not a white paper and it is not a statement of government policy. It is a working document. If I may again use the words of the Parliamentary Secretary, it is an assessment of the social security situation in Canada.

A great deal of work has gone into the preparation of this report. I have no doubt it cost a good many dollars and the Canadian people have paid for it. Social security is a tremendously important issue in Canada, and I contend that this Parliament and the people of Canada have the right to see and know what is in this document, this working paper, the Willard Report.

I repeat my argument that if there is any honesty at all to the idea that there should be full disclosure of information, if there is any honesty at all to the desire to have participatory democracy, there is no excuse whatsoever for keeping this document secret. This is an offence to Parliament, it is an affront to the Canadian people, and I insist that this document be tabled in the House of Commons. Based on this document the government will be making its decisions in the field of social security. It will be deciding what it is going to do about pensions for retired people in Canada. Perhaps what is going to be done for veterans will also be based upon it.

The government talks about participatory democracy, about the people being involved, but members of this House are not permitted to see this important document. I say again, as I said in my opening remarks when I moved the motion on October 29, that most of us in this place know what an excellent civil servant Dr. Willard is and has been for many years. We are fully satisfied that this document is a valuable one. It is not the private preserve of the government; it belongs to the Parliament and the people of Canada, and I call for an affirmative vote on this motion.

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

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on the motion. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Knowles, Winnipeg North Centre) which was negatived on the following division:

• (5:10 p.m.)

YEAS

Messrs:

Alexander	Broadbent
Alkenbrack	Burton
Barnett	Cadieu
Beaudoin	Caouette
Bell	Crouse
Benjamin	Danforth

Division

Messrs:

Dinsdale
Dionne
Douglas (Nanaimo-Cowichan-The Islands)
Downey
Fairweather
Fortin
Gilbert
Godin
Gundlock
Hales
Harding
Harkness
Horner
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
La Salle
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacEwan
MacInnis (Cape Breton-East Richmond)
MacLean
Macquarrie
MacRae
McCleave
McGrath
McIntosh
McQuaid
Marshall
Mather
Mazankowski
Moore
Nielsen
Nystrom
Orlikow
Paproski
Peters
Ricard
Ritchie
Rodrigue
Rose
Rowland
Ryan
Saltsman
Simpson
Skoberg
Southam
Stewart (Marquette)
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Woolliams
Yewchuk—70.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Beer
Blouin
Borrie
Boulanger
Buchanan
Cafik
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corbin
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Cyr
Danson
Deachman
Deakon
De Bané
Douglas (Assiniboia)
Drury
Dubé
Dupras
Éthier
Forest
Forget
Foster
Francis
Gendron
Gibson
Gillespie
Gray
Greene
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Hellyer
Hogarth
Isabelle
Jerome
Lachance
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Mackasey
McBride
McIlraith
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Murphy
Noël
Olson
Orange
Osler
Otto
Ouellet
Pelletier
Penner
Pepin
Perrault
Portelance
Pringle
Prud'homme
Richard
Richardson
Rock
Roy (Laval)
Smerchanski
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—105.

[Mr. Deputy Speaker.]

• (5:30 p.m.)

Mr. Speaker: I declare the motion lost.

Mr. Jerome: May I call it six o'clock, Mr. Speaker?

Mr. Speaker: Is it the wish of the House that the Chair now call it six o'clock?

Some hon. Members: Agreed.

At six o'clock the House took recess.

[*Translation*]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

PUBLIC ORDER (TEMPORARY MEASURES) ACT, 1970

PROVISION OF EMERGENCY POWERS FOR PRESERVATION OF PUBLIC ORDER

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-181, to provide temporary emergency powers for the preservation of public order in Canada, be read the third and do pass.

Mr. Caouette: Mr. Speaker, when the House rose at five o'clock, I was pointing out that our people would not indefinitely put up with promises or superficial reform and that it is high time for the governments to act and provide the necessary reforms. I was quoting

part of an editorial by Alain Guilbert in the Sherbrooke *Tribune*. Mr. Guilbert had this to say:

—As the situation is serious and urgent in Quebec, as well as in Canada, could not the Bank of Canada make available to Quebec interest-free loans that would enable the province to launch large projects such as the Trans-Quebec Highway, low-rent housing—

—Also the construction of roads and public buildings.

Such investments would mean decreasing unemployment, restoration of the social climate and promotion of private investments.

The situation appears urgent and severe enough not to dismiss lightly the solution proposed by the Ralliement des créditistes. It should at least be considered seriously—

Interest free loans for the construction of public buildings would help improve the situation but we could do better by distributing the affluence of our country amongst the Canadian people. That would be a true reform.

According to federal statistics, the production of goods and services in Canada this year will reach about $77 billion. Moreover, the Canadian people will earn a total income of about $55 billion. How can you buy goods for $77 billion with only $55 billion? It seems to me that the Prime Minister, the Minister of Justice, the Minister of Regional Economic Expansion, or any hon. member, is able to understand that with $55 billion you cannot buy for $77 billion worth. At the present time there is in Canada an undistributed production of $22 billion for lack of purchasing power to buy it.

This is when the Créditistes suggest the distribution to every Canadian citizen, including the Minister of Justice and every member, of a national dividend based on the surplus of production, the national revenue, which amounts to $55 billion. They find this suggestion ridiculous.

This government will spend this year $140 million to encourage western farmers not to grow wheat. Instead of paying western farmers not to grow wheat, why not distribute this money to the Canadian people so that they could buy bread and the wheat the farmers are able to produce? Of course not, the Créditiste solution is foolish.

The Quebec dairy producers are penalized because they produce too much milk and the Minister of Agriculture (Mr. Olson) says, as well as the Prime Minister, that we must increase our productivity if we want to fight unemployment and create jobs, but they do exactly the opposite.

They advocate one thing but they do the opposite. Then we do our utmost to pass legislation such as the piece now, before us, in order to urge the people not to rebel.

Mr. Speaker, I was in western Canada not so long ago. I noticed that the farmers are angry at the government. In the East, farmers, workers and unemployed feel the same way. And the government says that for the sake of inflation, we must be patient. Today, we have some evidence that not all the people are ready to be patient for the sake of inflation.

Those who revolted in Montreal or elsewhere in Quebec, are not the 30-, 60- or 70-year olds, but the young of 16, 18 or 20 years of age. The great part of those who are now detained in jail are about 20, the same as our own children. Who can tell if our own children will not take their place, tomorrow, considering the situation that is prevailing? When our young people cannot integrate themselves in our society, it is obvious that they will blow it up. And this is what we have now.

It is hoped to prevent these revolts and soothe these feelings of discontent by passing a law such as we are now considering.

Mr. Speaker, I mentioned earlier this afternoon that before he became a Liberal member of Parliament, the Secretary of State had always been against the government. He was a kind of revolutionary. He was a close friend of Vallières who is presently in jail in Montreal. He was even his boss and his editing collaborator for the magazine *Cité Libre* and the newspaper *La Presse* of Montreal.

Mr. Speaker, if the Secretary of State was not a Liberal member, he might be with the members of the FLQ who are now detained in Montreal.

Let us be logical. On November 23, my colleague from Bellechase (Mr. Lambert) asked the Minister of Justice what would happen if a similar situation should come up in a province other than Quebec. Would Bill C-181 apply throughout Canada or only to a particular territory?

The Minister of Justice replied that this legislation would apply to the whole of Canada and that the target would be the FLQ or any association which would succeed it.

To my mind, the minister contradicts himself. My colleague of Champlain (Mr. Matte) felt that the amendment to clause 3 was complex and prejudicial to Quebec citizens because it mentioned "the province of Quebec". As reported at page 1393 of *Hansard*, the minister of Justice answered as follows:

—agree with the hon. member that we should be against terrorism and crime. This bill does not deal with force or crime in general but with force used or crime used to overthrow a government in Quebec—

But why should this measure apply only to Quebec? If it were applied to Ontario, with regard to Canada, would it not be the same? We ask the minister to state in the legislation that this measure is to apply not only to Quebec but to any other province. It could just as well be British Columbia. In fact, the other day, a teacher declared himself in favour of the FLQ or "FLV" in Vancouver. The authorities did not hesitate one minute in bringing this teacher to heel and dismissing him, I think, from the University of British Columbia. They had no need for Bill C-181 to act there.

But in the present circumstances, what my colleagues wanted the minister to notice is that Bill C-181 mentions

only the province of Quebec instead of the provinces as a whole.

A revolutionary movement could just as well start in Toronto, in Winnipeg or in Regina. The proof is that politicians from Regina have been known to say that they might free themselves one day from Canada to join the United-States.

The premier of Saskatchewan said that.

An hon. Member: Ross Thatcher?

Mr. Caouette: The Liberal premier, a former colleague of my friends of the New Democratic Party—

• (8:10 p.m.)

[*English*]

Mr. Benjamin: I shall have to listen to the translation of this.

An hon. Member: You'll never believe it.

Mr. Caouette: Ross Thatcher was a friend of mine though he was not a Social Crediter. He was a member of the CCF and I feel that he is still with the CCF, though he did give better leadership than the NDP has now.

[*Translation*]

Mr. Speaker, the minister contradicts himself when he says:

> This bill does not deal with force used or crime used to overthrow a government in Quebec with respect to the rest of Canada, by the FLQ or another association that might succeed it.

I agree with the minister, but that bill is especially aimed at the FLQ.

The hon. member for Champlain stated the following:

> We all agree on that, there is no doubt about it. However, as to the second point, it is that we could eventually use it "as a means of accomplishing the same or substantially the same governmental change within Canada." The P.Q. could advocate "the same government change" as—

And here is what the Minister of Justice answered to that:

> Mr. Chairman, in reply to the question put by the hon. member, I should say that all the words have to be read as a whole. The bill is directed at the FLQ and any eventual successor group. The FLQ is defined as "any group of persons or associations that advocates the use of force or the commission of crime—

The Acting Speaker (Mr. Laniel): Order. I am sorry to interrupt the hon. member, but his time has expired.

Some hon. Members: Go on.

The Acting Speaker (Mr. Laniel): Is there unanimous consent to allow the hon. member for Témiscamingue (Mr. Caouette) to complete his remarks?

Some hon. Members: Agreed.

Mr. Caouette: Thank you, Mr. Speaker. I am grateful to my colleagues and to the Minister of Justice for letting me finish my speech. I shall not abuse of the additional time given me.

Mr. Speaker, I just want to point out here that the minister contradicted himself when he said in one place:

> —force used or crime used to overthrow a government in Quebec—

—and further on—

> —force or the commission of crime as a means of accomplishing governmental change—

But the whole thing is no clearer than pipe juice. One the one hand, people are to be prevented from overthrowing the Canadian government and on the other hand we must protect the government of Quebec in its relationship to Canada.

It is that opposition between the province of Quebec and the rest of Canada we cannot approve. I have had the opportunity, as I said this afternoon, of travelling throughout Canada and everywhere I said I did not want a special status for Quebec. I am not asking for more.

As we are considering Bill-181 we all agree that we must adopt measures to prevent the overthrow of a government by violence. But that law should not apply only in Quebec but everywhere in Canada.

It is because we recognize the need to adopt measures to prevent terrorism that we have voted for the application of the War Measures Act. It was urgent to resort to it since rebellion was threatening in the province of Quebec and terrorist acts, kidnappings and murders were committed in Quebec.

But we maintain that the law must be the same for the ten provinces to prevent similar acts in the other provinces.

• (8:20 p.m.)

My colleagues have tried to call the attention of both the government and the Minister of Justice to that point.

The minister, in my opinion, should be more specific. There is not one member in this House who would want to pass a legislation applicable to Quebec only. Otherwise, it would amount to backing up our friend the leader of the New Democratic Party (Mr. Douglas) whose campaign at the last general election centered around a special status for the province of Quebec. On the other hand, the Leader of the Official Opposition (Mr. Stanfield) he was advocating the theory of two nations in Canada. Therefore, we pass one bill applicable to one nation residing in Quebec and another one for the other nation living elsewhere in Canada.

Parliament must be careful when passing a legislation, even if it will only be in force until the end of April next. Then, the government should introduce legislation of a permanent character which would respect individual liberties while protecting Canadian society as a whole, without favouring any special group.

Our position is simple: let us pass the legislation we want, but it is important to bring in reforms which will allow all Canadians to feel free and secure in this country.

Of course, to reach this goal, we must obviously and necessarily deal with the financial problem. This is where the trouble lies. It is so true that if a war should be declared, the government would not have to talk about inflation, but it would find a job for everyone now unemployed. Here is the proof: they sent the Canadian Armed Forces to Quebec. Neither the Minister of Justice nor the Prime Minister said that we did not have enough money to send soldiers there. Apparently, that was an urgent matter.

When people starve in Canada, that is an urgent matter.

Some hon. Members: Hear, hear!

Mr. Caouette: If we want to avoid a repetition of the events we have just witnessed, the time has come to pass other laws than those which aim at jailing wrongdoers. Let us pass laws which will enable wrongdoers to behave better and then, society will be better organized.

Mr. Roch La Salle (Joliette): Mr. Speaker—

Some hon. Members: Question, question!

The Acting Speaker (Mr. Laniel): Order. The hon. member for Joliette has the floor.

Mr. La Salle: As was said so well yesterday by a member of the New Democratic Party, I think that the members from Quebec have not only the right to speak on this bill, but also a responsibility to express certain opinions. In view of the importance of the bill it is my responsibility to express my opinions and to give some explanations about the fact that we could be in favour of the adoption of the War Measures Act, without necessarily being in favour of the adoption of a special act.

On this point, a certain summary must be made. Let us refer to the circumstances which necessitated the application of the War Measures Act.

First, the War Measures Act was proclaimed and this move was supported by most hon. members.

Mr. Speaker, when the house is on fire, it is too late to discuss whether or not firemen should be called. In my view, no wavering would have been justified. In view of the abduction of these two men and of the psychological climate prevailing in these days, it was necessary to invoke such a drastic measure. Indeed, we had no choice, particularly if we consider that our criminal law leaves no place for us to take the necessary steps.

Since then, there has been quite a number of arrests, and it seems that several people have been arrested for the most futile motives. Searches and questionings have been carried out. The province of Quebec has been occupied by the armed forces and the government has made all sorts of statements in the House. But those statements have never been adequately explained and questions asked by members have not yet been answered satisfactorily.

The enforcement of the War Measures Act was urgently needed when the Act was proclaimed. But since then, thirty days have passed. Parliament, therefore, has had all the time it needed to introduce a law better suited to the present circumstances which are not—we must recognize it—as disquieting as they were thirty days ago.

There has been, for quite a long time a climate of dissatisfaction in Quebec which is due to many reasons. It might be believed that exceptional legislation would settle this problem and would give back confidence to the Quebec people and to the whole country but it would be a mistake to believe it.

In Quebec we went through, perhaps in a rather peculiar way even if some are afraid of the word "peculiar", years of frustration both linguistically and economically. At the same time, we have had a far too high unemployment rate, a per capita income much lower than that of the whole country and this situation does not seem to be improving. In Quebec, we now have 500,000 unemployed and this figure will reach 700,000 by springtime.

Those are so many factors which for several years have provoked discontentment in Quebec. A special law will not be sufficient to restore the population's confidence in Parliament nor will it improve the lot of the people of Quebec.

When this bill was introduced a few weeks ago it was understood that the opposition parties would have an opportunity to participate in the debate and to make useful contributions. After five weeks, it seems clear that the government will accept no amendment. Not one suggestion made by the opposition is deemed likely to improve the bill. It seems that only the government members are enlightened by the Holy Ghost when a bill is being drafted. According to them, we do not enjoy the same advantage.

The government has serious misgivings; I am sure that only through the enactment of social measures better adapted to present conditions can a proper climate of stability be restored in the province of Quebec as well as elsewhere in Canada.

I do not say that a special legislation was not necessary. I think that after the War Measures Act was enforced, we had enough time to draft a legislation more in keeping with present needs.

• (8:30 p.m.)

The retroactivity of the act can allow justice to go very far indeed. The act is vague in that it does not specify for how long it will be applied. The use of the expression "any identical association or almost identical association" can only lead to confusion.

Some other amendments are vague as well. In spite of that, the act is specific enough to warrant its being supported.

After studying the bill and having realized that the government refused to accept any amendment, I can say that, at the same time, the participation of the opposition parties, in short, the participation of Parliament, was turned down in the preparation of this bill. As members of Parliament, we were entitled to participate in it. To say the least, we were entitled to a better hearing on the part of the government.

Considering that the government rejected all the amendments we proposed and knowing all the weaknesses and inaccuracies of the legislation, I do not feel like supporting the bill. Some may think that I prefer the War Measures Act, but that is not the point. I voted for the War Measures Act because we had no other choice. A more acceptable measure could have been introduced, but it was not. Aware of the weaknesses and inaccuracies of the legislation, it might be said: Of two evils one must choose the lesser. I still think that even the lesser evil is much too great.

Mr. Speaker, the entire history of Canada shows that previous situations resulted in an atmosphere not only of discontent but revolution. This has very deep causes.

In Quebec especially, reference is made to poverty, insecurity, lack of confidence in public men, the failure of the constitutional review. We want, as Quebecers, to be first class citizens, but I think that all those frustrations after many years were liable to create a climate of dissatisfaction. For that reason I will take this opportunity to say once again that the passage of special legislation will not restore the confidence of the people or order in Quebec or elsewhere in Canada.

In connection with the failure of the constitutional review, I read the following this week in *Le Devoir*, and I quote:

> In his opening address to the federal-provincial conference held in Ottawa in February 1968, the late Daniel Johnson stated solemnly: "...we all know that the Canadian people is not homogeneous. Although the adamant few still refuse to admit it, we all know that Canada is made up of two nations. What purpose can be achieved by closing our eyes on this basic fact, which is supported by history, sociology and the collective will to live together?
>
> Perhaps it has become for some people a purely academic exercise to ponder whether the British North America Act is or not the result of a pact, but there is no room for doubt as far as the future is concerned: in order to be valid, a new Canadian constitution will have to be the product of an agreement between our two nations."

—which is the whole history of our country. With all due respect to my colleagues, in the end we will have to acknowledge the existence of the two founding nations in Canada. It is fundamental.

Statements made this week mentioned that it will be possible to keep Quebec in the Confederation through force if necessary. When people end up saying such things it is because they do not know Quebecers.

For over 100 years, millions of French Canadians have not only defended their traditions but also their mother tongue. They have hoped and are still hoping that their aspirations will be fulfilled.

So Quebec is different from the other provinces, with all due reference to the leader of the Ralliement créditiste (Mr. Caouette) who said earlier that he does not favour a special status for Quebec. Maybe he wanted to say that Canada wants to offer us a special status on the occasion of the introduction of the bill on war measures but it is the first time that Quebec is granted a special status and certainly the moment is not at all appropriate to do so.

This special status will have to be recognized in the Constitution that we have been asked to draft and no doubt this issue is most pressing. In fact, a committee on the constitution has at last set to work and is visiting every part of Canada. It should not, however, waste its time visiting the province of Quebec. It has merely to make a careful study of the briefs submitted to Parliament since 1960 by Messrs. Lesage, Johnson, Bertrand and Bourassa. The committee on the constitution has in its files briefs that reflect precisely the aspirations and the wishes of Quebecers. Regardless of the government that submitted them, these briefs make exactly the same requests and would enable the committee on the constitution to understand, once and for all, what Quebec wants and under what conditions Canada will be able to keep this province within Confederation. The committee on the constitution would learn much by reading Daniel Johnson's book entitled *Egalité ou Indépendance* (Equality or Independence).

Quebecers want to live in equality, they want to have the same opportunities as other Canadians have, and to take a full part in building of Canada.

The people of Quebec are well represented in the House. However, some government members from Quebec did not carry out their duty to inform our English-speaking colleagues of the deep aspirations of the population of Quebec. In order to abide by the policies of their party, they have always agreed to an acceptable compromise with provincial governments, provided they belonged to the same party as the federal government.

I am sorry to have to say those things, but I believe that is the crux of the problem, the loss of confidence of Quebecers in the federal representation. Each House member from Quebec has that duty to inform all Canadians of the needs of Quebec and of the conditions that will make it possible for that province to remain within Confederation.

For 10 years the provincial governments have tried to ensure by every possible means that Quebec be kept within the Confederation. Briefs have been submitted, many studies have been published and it seems that the federal government is not interested.

Mr. Guy LeBlanc (Rimouski): Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Laniel): The hon. member for Rimouski on a point of order.

Mr. LeBlanc (Rimouski): Mr. Speaker, my remarks will be rather brief. It seems to me that my colleague is making an unforgivable digression. The debate should be on an amendment proposed by the Ralliement créditiste, but the hon. member is giving a lecture on the history of Canada and of the province of Quebec.

• (8:40 p.m.)

Mr. Fortin: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Laniel): The hon. member for Lotbinière on a point of order.

Mr. Fortin: Mr. Speaker, I wish to say, on behalf of my party, that we have moved no amendment. If the hon. member for Rimouski (Mr. LeBlanc) was more often in the House, he would know that we disposed of it yesterday.

We are anxious to hear the rest of the speech by the hon. member for Joliette (Mr. La Salle).

The Acting Speaker (Mr. Laniel): Order. First, the Chair wants to point out to the hon. member for Rimouski that he did not raise a question of privilege, but a point of order. However, I believe that, in view of the present confusion, the Chair should take the opportunity of reminding the hon. member for Joliette (Mr. La Salle) to stick as much as possible to the motion on third reading of Bill C-181.

Hon. Members have been allowed up to now to stray temporarily from the subject, but to go back on the whole constitutional question in Canada is quite another matter. The hon. member should revert to Bill C-181 in the next few minutes.

Mr. La Salle: Mr. Chairman, the member for Rimouski (Mr. LeBlanc) was not aware that we were on third reading of the bill, that amendments had been dealt with long ago and that they had not been accepted anyway.

As to whether I strayed from the subject, I did so in order to show the long standing shilly-shally attitude of the Federal government with regard to the powers which should be granted to Quebec and which are required for her emancipation as a French-Canadian nation, since her powers have often been trampled down. A climate of dissatisfaction has indeed appeared in the province of Quebec.

The hesitation of the federal government is responsible for the formation of a third party in Quebec, the Parti Québecois, that nevertheless got 23 per cent of the votes at the last April elections. It means that one French Canadian out of three voted for the independence of Quebec.

The prolonged hesitation of the federal government which turns a deaf ear to the claims of Quebec cannot give us economic stability and create the atmopshere of confidence we need and in which we would no longer have to pass special legislation.

That is the problem. We can look everywhere, but nothing will be solved if we do not recognize that the Constitution must be renewed to define clearly the powers Quebec needs and has been demanding for so long. For the information of my colleagues, not only those from Quebec—as they know it already although many of them do not dare say so—but for those from the other provinces, I say that the Constitution, has to be amended because it is the only way of enabling people to keep on believing in a strong Canada and the province of Quebec to believe that its future is within Canada. To refuse to listen to the claims made by the Quebec governments over the last ten years, is to close one's door to them and to hasten the independence of Quebec. It is to run the risk of being faced with more problems.

Such things must be said in this House. I did so for the guidance of all the members. I know that some people find it more difficult to say such things. As a Quebecer I believe in a rejuvenated constitution—we must hurry—it is, a matter of months—so that the province of Quebec may have the assurance that the emancipation of the French Canadian nation can be accomplished inside Quebec, in French, without any prejudice to the rest of this country. It is as two nations that we will be able to build a splendid Canada and not in doing as we have done for the last 100 years.

Unfortunate statements were made in this House during the debate on this legislation, including some about the possibility of a parallel government being set up. I thought that the arguments put forward on the day when we voted on the War Measures Act were sufficient to support these measures. Then there was the beginning of a rumour to the effect that a parallel government was to be set up in Quebec, and the government suggested that it was founded.

As a result of the questions which were asked during the following week, we realized that this parallel government never existed, but this persisting rumour gave certain people an opportunity to accuse men who have always stoutly defended the aspirations of the French-Canadian nation, and I do not approve of those who used this debate to tarnish the reputation of a man for which I have great consideration, namely, Mr. Claude Ryan. I say it in this House—

Some hon. Members: Shame, shame!

Mr. La Salle: I am aware that this does not sound pleasing for all the Quebec members since Mr. Claude Ryan, at a certain time, was not in agreement with the governments of the day. But I have for quite a long time believed in this journalist's integrity. No one found fault with Mr. Ryan when he supported the Liberal party before the elections of last April 29 and now, because he disapproves of the emergency measures legislation or of the way the government have lead the discussions, there has been an attempt at sullying the reputation of some people for no reasons whatsoever.

Everybody is wondering: who are those responsible for this situation? Definitely, some members of the FLQ whom I condemn without reservation, and I know that all members of this House agree with me. Now, whether they number 25, 200, 1,000 or 3,000 that is quite a different question. Some one has gone as far as suggesting that the government has been using a sledge hammer to crack a peanut. And I even wonder whether this peanut has now been effectively cracked.

Recently, I was reading a newspaper article by Sir Wilfrid Laurier, who lived in times somewhat similar to our own. I shall read an excerpt from that article in this House, because it is signed by an authentic Liberal. At that time, in 1890, problems were being experienced with the Metis. Sir Wilfrid Laurier said, in his article, with regard to a certain rebellion, and I quote:

—what is destestable is not the rebels but the men who, having the advantages of power do not fulfil its duties; the men who,

having the power to redress abuse, will not listen to the petitions they receive; the men who, when they are asked for bread, give stones.

If I understand correctly what Sir Wilfrid Laurier meant, I would dare say that those who have the advantage of power are really responsible for the present situation. Sir Wilfrid Laurier added, and I quote:

—if there were some criminals, it was not those who fought, who died, but the men in front of me on the government benches?

This was said by Sir Wilfrid Laurier and it is surely not a man who was always sympathetic to us. I merely wish to refer to that time to prove that the reasons which compel us to pass that special legislation today are perhaps not those you have in mind. It is the lack of appropriate social measures which has led to that climate of dissatisfaction and revolt among Quebecers and Canadians.

This bill is quite difficult to accept, since it can interfere with the freedom of the press. I do not approve all the criticisms against the press nor the charges laid against the C.B.C., making them responsible for the present problems.

The Canadian Broadcasting Corporation, I admit it, has broadcasted a number of programs devoted to separatism in Quebec, but it was only the true reflection of the Quebec reality.

• (8:50 p.m.)

Here, in the House, a number of members have always refused to define the Quebec reality. Moreover, we have always considered this group of individuals as insignificant. However it was important that the members of the other provinces know exactly the number of separatists and the growing importance of that movement in Quebec.

Attempts were made to hoodwink the rest of the citizens by telling them that this movement was insignificant, that it was not dangerous and that its membership was small. But following the election we learned that one out of three French Canadians was favourable to independence. This is the truth, and it is this fact that hon. members from the other provinces need to know.

CBC had programs to which Mr. Levesque was allowed to participate just so that the Canadian people would know the Quebec fact. Whether we like it or not, this is freedom of the press and freedom of speech.

I have not been concerned personally as yet about the freedom of the press but I think it is unfortunate that a member who makes an incorrect statement gets a good write up from the press while another who does not make any incorrect statement is not even mentioned by the press. I should like to make a few remarks on another point, that is the inquiry, by a committee of the House, on the Company of Young Canadians, whose findings urged the government to guard against certain dangerous groups or movements. But nothing was done in this regard. This is why we have to discuss now the implementation of some special legislation.

We asked that a royal commission determine the reasons for the introduction of this special legislation, but we were turned down. A royal commission could actually throw light on every aspect of this question and distinguish between the truth and mere rumours, such as that of a provisional government. We have been denied this royal inquiry which would prove the government's good will.

What are the causes of the climate of dissatisfaction. No wonder Quebec is dissatisfied. I have only been in the House for only two years and already there is no hope of recovering the $250 million paid by Quebec for a service which was never provided. There was and is still some talk of cutting the subsidies to farmers. How can the farmers get along if subsidies are further reduced?

Some are wondering how this discontentment was created and I do not believe that this special legislation will restore confidence or stability in Quebec.

In my own conscience, Mr. Speaker, I will not be able to support such a bill because of its lack of accuracy, and its deficiencies.

At least, a review board should have been authorized to avert abuses in each province. After just one month we already have evidence of abuses and we would like to prevent them from occurring again.

An administrator could have carried on some supervision to check abuse, but we have chosen to abuse power and I am against that.

The words "unlawful association" and "the same or substantially the same" lack precision.

On seven or eight occasions, I believe, I also asked who would foot the bill for the army's stay in Quebec.

First, I was told that the province of Quebec would pay the bill. Another time, I was told that considering the special conditions prevailing, perhaps some agreement could be made with Quebec.

Last week, the negotiations seemed not to progress very fast. In the end, we might get the bill, and, if it happens to be settled like the health insurance plan, Quebec will have to pay once more for a service the expenses of which were met long ago, because the province has been contributing to national defence costs since the birth of Confederation.

We were entitled to explanations the government has refused to provide, and in the circumstances we are led to doubt the government's good faith and to refuse blind support for this legislation.

Many hon. members myself included, wish to re-establish a climate of confidence for the welfare of Canadians. Each citizen in Canada, and in Quebec in particular, must have a greater part of justice.

I presume that we will do more than tabling special legislation, and that we will consider seriously the adoption of social measures which are obviously needed for the re-establishment of a better social climate in Quebec. The formation of a committee on the Constitution is vital today in Canada. The Province of Quebec has been wait-

ing quite a long time. It is miserably disappointed with the government's hesitancy on the matter. Quebec needs to know the provisions of a new constitution. It should not be thought—and time will prove me right—that a constitution that does not establish distinctions will make the ten provinces happy.

We hear about bilingualism throughout Canada. It is not true that integral bilinguism will exist in all 10 provinces. We shall stay with one French province and nine English ones. The provinces however will acquire a supplementary culture, English or French. But let us face it: Quebec wants to and must remain French, and the other provinces will remain English. Together, we can build Canada according to our culture.

Mr. Eymard Corbin (Parliamentary Secretary to the Minister of Fisheries and Forestry): Mr. Speaker, the hon. member forgets that New Brunswick is also a bilingual province.

Mr. La Salle: Well, yes, New Brunswick is bilingual—

Mr. Corbin: Mr. Speaker, so is the province of Ontario. We are not all turncoats.

Mr. La Salle: I do not deny the hon. member's point, and I do not say that all members are turncoats. But Quebec will not be abused or deceived by federal members from Quebec who do not tell the truth in this House to their English-speaking colleagues who need to know it. Now there are problems in Quebec because those members have failed to express as they should have the needs of the province of Quebec and to support the provincial governments who for well over a decade have been pondering over piles of briefs submitted to federal-provincial conferences. These members have always refused to analyse those documents and they have even laughed at them. In those papers are discussed the fundamentals not for national unity but for national harmony. There is the big difference.

I am not striving after national unity but after national harmony wherein the two founding nations, as acknowledged by history, may understand each other and cooperate in building up one country, Canada. If we fail to do this, Quebec will separate. My forecasts will come true if the government does not become more conscious of Quebec's needs and aspirations.

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, once again I am a trifle surprised by the attitude of some hon. members who seem to want to railroad bill C-181 entitled: An Act to provide temporary emergency powers for the preservation of public order in Canada.

In a speech delivered on the program "La Politique Fédérale" on the French TV network of the CBC on October 31, 1970, the Prime Minister (Mr. Trudeau) stated, and I quote:

> The nation must continue to remain calm and resist with the same lucidity to the confusion which some individuals would like to cause.

This is precisely the attitude I am trying to have toward the present situation, and I fail to see the exceptional urgency of railraoding a bill which, in my view, is confusing. We had evidence of that during the debate, in the House, and among the public, through newspapers and other news media.

• (9:00 p.m.)

Some weeks ago, when it was felt that there was an emergency, most hon. members approved the proclamation of the War Measures Act and have not changed their mind yet. Therefore nothing impedes the work of observation and search which rests with our armed forces. Absolutely nothing prevents our police forces from maintaining law and order and from keeping up their investigations to find the kidnappers. It rather seems to me that most of the people are eager to know what concrete results have been achieved through the extraordinary powers granted in peace time to the police forces so that they may track down the revolutionaries.

We will not achieve the results wished for by the people by approving hastily a new bill which, in my opinion, contains some elements of dissent.

Whereas a confused situation seems to last endlessly, people are anxiously awaiting new facts. And in the meantime, we try to pass special legislation, establishing emergency powers in order to maintain order in the province of Quebec.

We now have the proof that it is not the lack of powers which hinders the work of peace officers. What seems rather obvious is the absence of co-operation and the inefficiency of investigation procedures.

The editor of the newspaper *Montreal-Matin* concluded his editorial of November 24, 1970 by this logical remark, and I quote:

> If the handful of agitators were reduced to impotence, the whole of the Quebec people would not need special measures, since the unrest which justifies them would no longer exist.

Like Mr. Cross, we sometimes wonder what is going on. Many people shuddered when they listened to a TV announcer reading the communiqué of the Quebec Liberation Front. Yet, more than four months ago, on July 11, 1970, a Montreal newspaper published an explosive document, quite similar to the one released in October 1970. It dealt with an unsuccessful kidnapping attempt. This should have been a warning for the authorities. But no. People in office now anxious to do something had no reaction at all.

Another time, the Chairman of the Executive Committee of the city of Montreal, in a clear statement, asked for a Royal commission of inquiry on the behaviour of agitators who were spreading revolution in Canada. Did our legislators hasten to take the decisions the events required? Oh no! They were waiting.

I do not see any reason to multiply emergency or special laws. As I said at the beginning, the War Measures Act allows us to solve urgent problems, provided each and every one does his job. Let us take the time needed to prepare legislation really appropriate in the

circumstances, without spreading discord in one area or the other of the country. As representatives of the people of Canada, it is our duty, when the circumstances so require, to pass laws that apply to all parts of Canada.

Remember the second volume of the Prévost report, issued in April 1969, which called for the establishment of a public system of judicial security designed to ensure to all citizens an easy access to the administration of justice.

Whether we agree in part or in whole with the procedures suggested by the Commission, we must recognize on the other hand that it is as much an urgent necessity as education, welfare and health.

The fact that in our country there are more and more citizens who, for financial reasons, cannot afford to have their day in court is evidence that the financial system we are denouncing needs to be reformed in our affluent society.

At least one-fifth of the Canadian people are denied at one time or another, the right to be heard in court; the situation is such that people have come to the conclusion that it is more advantageous to accept an out-of-court settlement than to resort to justice, because the parties often incur disproportionate expenses.

My colleague, the hon. member for Portneuf (Mr. Godin), summarized here in the House on Tuesday, November 24th, 1970, the difficulties he had had because of a deficient judicial system, and I know he is right.

Our lawyers should know that they helped to create the present atmosphere.

I have here at hand an article published in the Montreal *La Presse* on September 1st, 1970, the title of which is clear enough: Canadian Bar Association accused of abetting injustice, from which I shall quote a few excerpts.

The delegates to the Canadian Bar Association convention were on the hot seat yesterday; they were accused of encouraging injustice and having failed to reform our laws.

The case of the people versus the Canadian Bar Association was put to a large audience of some 650 delegates accompanied by their wives, by the discontented students of the Law School of the Dalhousie University in Halifax.

The claims of the students were received with rousing cheers.

The delegates had heard the same theme, the need for reform in the laws and the administration of justice, earlier in the day, from the retiring chairman, Arthur S. Pattillo from Toronto. His speech was less spectacular, but his mesage was no less urgent.

Calling our times the age of dissent, Mr. Pattillo said at the opening session of the convention that it is extremely important to act quickly and simultaneously in the fields of the reform of laws, justice administration, education of the profession regarding the public.

He said that court procedures are outmoded. Justice is often delayed by technicalities and inefficiency. Laws vary from one province to another and there is no government support for reform.

I have noted myself that our legal system often enables ambitious lawyers to use various means to win a case. Fortunately, a judge aware of his duties and responsibilities was on the bench that day. He delivered a not guilty verdict, although I had realized that a very experienced lawyer especially chosen for that case had used all the tricks of the trade, to such an extent that I attended a hearing where questionable testimonies were given many times in order to deviate the course of justice.

I am pointing out by way of digression that kind of injustice generated by the legal mechanism. Briefly, this is what happens. Charges are unfairly laid against a citizen. He decides to defend himself and proves that he is not guilty following lengthy and onerous procedures. As a result, he has nevertheless to pay the lawyer's fees and the witnesses' travelling expenses.

This kind of administration of justice is defective, even revolting for a citizen who is acquitted.

Nothing in Bill C-181 provides for compensation to people charged without evidence and yet this is a matter that has caused much comment, particularly since the events of October last.

I was reading in the July 11, 1969 issue of the newspaper *Le Soleil* an article by Mr. Paul Lachance entitled: Justice for the poor if not poor justice. After having outlined the situation, Mr. Lachance wrote as follows:

Money, the root of evil.

In a masterly study on legal aid entrusted to the Prévost Commission, Mr. Jean T. Loranger, assistant secretary of the legal aid office of the Montreal Bar, discloses certain figures that give cause for reflection on the degree of poverty among the Quebec population.

He shows that as early as 1964, a yearly income of $4,000, both in Quebec and in the United States, meant poverty for a normal family of four people, and of $2,000 for an unmarried person.

According to Mr. Loranger, that family and that unmarried person are every day deprived of the bare requisites in Quebec. They represent about 23 per cent of the Quebec population.

Statistics also show that 19 out of 1,000 people need legal aid, that is one poor out of 12.

The article contains undeniable truths and practical suggestions.

He adds in conclusion, and I quote:

There remains to wonder whether our government will soon have the nerve to proclaim, through concrete examples, that a state does not have to be rich to show respect towards its own justice.

For as long as it has not become as much the justice of the poor as that of the rich, it will be but a poor justice.

Real justice cannot be administered with a vengeful and penalizing instinct. A serious effort should be made in order to change this turn of mind often inherent in the judiciary administration.

The various correctional services should bring their effort to bear on prevention of crime rather than on excessive and brutal punishment.

I realize that in some individuals, there seem to be a total loss of the sense of responsibilities and that one has to resort to appropriate means in such cases. However, if we take the trouble of examining some particular cases, we have to conclude that some people are not born criminals.

Very often, through a combination of circumstances, they have been badly oriented and society did not favour

them in such a way as to enable them to know how to conduct themselves. It is not by crushing them that we will help rehabilitate them.

Equality of opportunities to defend oneself legally must be both great enough not to allow injustices, and explicit enough to avoid abuses as much as possible.

The most complete inventories, the fairest recommendations, the most necessary orientations will remain a dead letter if those who are responsible do not act.

• (9:10 p.m.)

[*English*]

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, it will not take too many minutes for me to state why it will be a pleasure for me to vote against this incredible and unnecessary piece of legislation. Yesterday I listened to the hon. member for New Westminster (Mr. Hogarth). The points he made further substantiate the fact that at this time in our history this legislation is completely unnecessary. The cockiness of some Liberal Members of Parliament stems from their belief that they cannot be defeated on the stand they are about to take. They are pleased with the stand they are about to take.

They will be denying civil liberties and supporting the principle of guilt by association. They have forgotten about the United Nations Charter of Human Rights regarding retroactivity of offences. They are supporting a situation wherein a husband and wife can be jailed for associating with each other if one is a sympathizer of the FLQ. They do not support the appointment of a legal appeal or review board. Instead, they suggest a voluntary type of body with no power whatsoever. Some hon. members seem quite pleased that people may become unemployed because they are accused, under false pretences, of being associated with the FLQ and the employer dismisses them. I know of situations where persons have lost their jobs because they have been accused of certain things. Their employers did not consider whether or not they were guilty. Any member of the House who supports this legislation is not being consistent or credible in his position.

The Prime Minister (Mr. Trudeau) has done many things to discredit Canada in the eyes of North Americans. I refer to an item which appeared in the Moose Jaw *Times-Herald* of Saturday, October 1, which reads in part as follows:

> Live in Canada?
>
> "No thanks," say four Glasgow, Montana, high school students. "Not with the War Measures Act in existence."
>
> "I wouldn't give up my United States constitutional rights no matter how enjoyable our stay in Moose Jaw has been," one student said.

Some hon. Members: Oh, oh!

Mr. Skoberg: As I listen to the laughter of hon. members opposite, I realize they are not concerned about the civil rights of anyone in this country. What has been said in this House since I have been here? The hon. member for Timiskaming (Mr. Peters) asked what contribution the majority of the Liberal Members of Parliament had made to this House of Commons. I suggest that the members from the province of Quebec have not really told us what the problem is in that province. Have they told us about the economic situation, the unemployment situation or anything else concerning the province of Quebec? Quips are all we have heard from them. They say, "If you knew the situation, you would not talk in this way." I suggest these members have known the situation for the last seven years. The hon. member for New Westminster went to great lengths to show how the situation has been documented since 1963.

The Members of Parliament from Quebec should be ashamed for not telling members from other parts of Canada about the real problems in Quebec. The hon. member for Matane (Mr. De Bané) has been quite forceful in this House in drawing attention to the situation in his area. This was why he moved his amendments. I understand that in his constituency the rate of unemployment is approximately 28.9 per cent. I am disappointed that the hon. member has now been brought back into line by the Liberal Party and will vote in their favour. Has he forgotten the grand words of wisdom that he has used recently?

All hon. members realize that violence is not the usual means adopted by peaceful people. It is used only when there is anxiety, confusion, fear and a gap between the populace and the authorities. These extraordinary powers are a direct result of the lack of activity and participation by Liberal Members of Parliament from Quebec. Surely the 57 Liberals Members of Parliament from Quebec, give or take one or two, cannot justify not letting us know the real reason for the emergency measures taken in that province. I say that the emergency measures were implemented as a direct result of the Liberal members from Quebec. It can be argued that we really do not know much about it.

Some hon. Members: Hear, hear!

Mr. Skoberg: I am glad that some members who have sat on their fannies for the last few weeks are now applauding. The article in the November 26 edition of the *Globe and Mail*, which was referred to by the hon. member for Timiskaming, bears repeating. It reads in part:

> Premier Robert Bourassa indirectly indicated agreement yesterday with a statement by his justice minister that Ottawa had exaggerated the strength of the Front de Libération du Québec.
>
> Justice Minister Jerome Choquette was quoted yesterday as describing as highly exaggerated an implication that there may have been 3,000 heavily armed revolutionaries ready to fight for Quebec independence—
>
> When pressed by reporters to say whether he considered 3,000 an exaggerated number for active FLQ members, he said: "Well, you saw the arrests, about 100 still held—you have your answer there."

We do not have to ask what is going on in the province of Quebec: it is well documented. I am sure many members from the province of Quebec are now beginning to wonder whether it is advisable to support the type of

legislation now before us. This article also bears repeating because Mr. Bourassa said:

"The Conservatives and NDP know that this is a matter in Quebec's jurisdiction, yet they keep debating it. Are they pseudo-federalists, or are they federalists?"

If Mr. Bourassa wants that type of legislation, Mr. Speaker, it should be enacted by the province of Quebec. I see no good reason why we should be debating this legislation if the province of Quebec does not want it debated in this chamber. Why should we debate legislation that is not wanted by Mr. Bourassa? Why is it being forced down his throat by some members of this House?

• (9:20 p.m.)

I should like to refer briefly to an article written by Dr. Norman Alcock, head of the Canadian Peace Research Institute, under the heading, "The future: Simmering resentment, increasing polarization." One paragraph reads:

As things stand, Canada faces a future not unlike Northern Ireland today; a smouldering resentment and increasing polarization since the basic issue has not been resolved. The recent chain of events has increased, not decreased, the likelihood of our country hanging together, that is, the implementation of the War Measures Act has increased the probability of Quebec seceding from Canada.

I believe members of this House should pay considerable attention to the words of Dr. Alcock; they should mean something to the Minister of Justice (Mr. Turner) and to others in this chamber who are really concerned about civil liberties.

If legislation is needed to meet an unknown situation, let proposals go to a committee where they can be discussed in a calm and unemotional atmosphere. It has been amply shown that the War Measures Act was not necessary. It has been amply proven that the legislation before us now is not in the interest of the civil liberties of the people of this country. I am sure that if the RCMP were given the authority to go into Quebec or any other place in this country and use the Criminal Code as they know how to use it, we would not be faced with the situation which prevails in Quebec and there would be no need for the War Measures Act or for this legislation which is intended to take its place. If the Quebec government had given the RCMP authority to do something about this situation in 1963, we would not be facing this problem today.

It seems incredible that 7,000 police officers in Quebec cannot allay the anxiety that is evident in the province. It also seems incredible that those police officers should not be able to discover and put behind bars anyone who is involved in arson or sedition. This can lead only to one conclusion, that the police are not competent in the situation which faces them. It leads one to the conclusion that the desired effect has to be brought about by other means, because the police are not really in touch with the authorities in the province. It appears the elected representatives are not especially interested in social and economic affairs, in consequence of which the police are not particularly concerned with trying to catch those supposedly responsible.

There is no question that 98 per cent of the people of this country supported the invocation of the War Measures Act. Encouraged by this, the government has been as arrogant as could be in bringing in this type of bill. They have refused to accept any amendments designed to protect individuals who have been subjected to the kind of discrimination and recrimination which has been reported in the papers recently.

In Malawi recently, the president, Dr. Banda, said that idealism and realism could not ride in the same compartment: they might be in the same carriage, but they could not be in the same compartment. I suggest the government is being neither idealistic nor realistic enough to realize that we must do everything possible to preserve a democratic society in our country. Not many years ago a situation arose in British Columbia involving people who were known as the Sons of Freedom, composed of men and women who were against the authority of the government and critical of Canada as a nation. The province of British Columbia was quite able to deal with that situation with the help of the RCMP. There was no question of calling in the military to help handle the situation, though the numbers involved were far greater than those connected with what is happening in Montreal, where it seems that about 100 people are attempting to blackmail the government of Canada through terrorist action. I suggest hon. members should consider carefully what we are being asked to do in this House. If they feel obliged to accept legislation of the type the minister has put forward, they will be responsible for the consequences.

A vote against this bill, Mr. Speaker, is a vote for the return of sanity in Canada, a vote in support of a democratic society in Canada. If we want to return to law and order, we can do it under the existing legislation, the Criminal Code. We certainly do not need the type of legislation which the Minister of Justice has presented to us.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, we will find it rather difficult to support the Public Order (Temporary Measures) Act, 1970, because it does not contain all we would like to see embodied in it, because it is restricted to Quebec instead of applying to all Canada.

I believe the social injustice we experience has generated the climate of barbarism we are facing. We are now seeking means to subdue rebellion in Quebec and in Canada.

The government has already admitted that the War Measures Act is too radical an instrument to be used against internal rebellions. It has therefore sought to use a more flexible, more precise, more adequate instrument, directed specifically against the F.L.Q., which has been declared an "unlawful association". We oppose barbarous acts, but we approve logical and just measures aimed at preventing that barbarity from spreading.

Shame and disgust felt by Canadians with regard to the acts of the FLQ followed a period of deep reflection shared by millions of citizens. We noticed then the deep

affection of Canadians for Canada, their firm support for the federal government for invoking the War Measures Act aimed at crushing the "state of apprehended insurrection".

All of us want the Canadian government to find the means to protect the life of the citizens and the existence of democracy in Canada. Canadians know that a peaceful and prosperous Canada cannot be built by destruction. We stand among those who do not want to destroy social order because we abide by the laws of this country.

• (9:30 p.m.)

The federal government has taken action at the request of the Province of Quebec and the City of Montreal authorities. The Armed Forces have moved into Quebec at the request of the provincial authorities. Quebec is entitled to the protection of the Army when needed.

The three levels of government, federal, provincial and municipal, have taken joint action within the framework of a federal legislation and we have voted for those measures designed to halt the bloody revolution which is raging in Canada.

If this federal bill now before us was deemed today to be too harsh, and if we want to fit it better to the problem without resorting again to the War Measures Act, we have to improve it, taking into account its Canadian and federalist intent, and not making it applicable only to the province of Quebec and to one association, the FLQ.

There are members of the FLQ, not only in the province of Quebec, but in many other provinces.

Each time there is talk about a special status for Quebec, all other governments object.

We must not now give a special status to the province of Quebec on the basis of particular case. If the minister does not bring amendments to the legislation, it will be rather difficult for us to accept it. Although we want reforms and just social legislation we do not want it to apply only to one province because we live in a Confederation.

The Minister of Justice (Mr. Turner) stated that Pierre Laporte was not the first victim of the FLQ and that an innocent person, Mrs. Jeanne D'Arc Saint-Germain was killed when a bomb exploded here in Ottawa at the National Defence Headquarters. The FLQ accepted responsibility for this crime. Atrocities were not commited only in Quebec but very near Parliament. Therefore the legislation cannot apply only to the province of Quebec.

What concealed reason could urge the federal government in these circumstances to move a special legislation for the province of Quebec only?

Let the ministers be conscious of their role with regard to the whole country and not just the province of Quebec. Let this emergency legislation remain national in scope as is the case for the War Measures Act.

This is where the difficulty lies. It could be corrected immediately if everywhere in the bill, the word "Canada" were substituted for the word "Quebec".

Let us at least prove from time to time our good faith and especially in such favourable circumstances for Canadian unity, when it is a matter of protecting people's rights to live, to be free and secure.

Mr. Speaker, there is proof that Ontario, like Quebec, suffered from FLQ atrocities. There is also proof that England suffered from those atrocities through Mr. James Cross's kidnapping. Therefore this legislation should not apply only to the province of Quebec when it might prove useful to all the other provinces. This anomaly must be corrected or we must be given the reasons why this legislation is limited to Quebec only.

If the members who want a united Canada and a just society want to take advantage of such a situation to give Quebecers good reason for breaking away from confederation in order to obtain a justice which they cannot get from their federal government, it is their privilege. I wish this could be heard throughout Canada and not only by the 20 members now present here only to have a quorum!

According to the facts which have been brought to our attention, no logical reason can justify the application of this law to only one province, namely Quebec, which has already reason enough to question the unfair action taken deliberately or not by the federal authorities.

Having to put up with the unfair legislation already enacted, we should at least avoid enacting other legislation similarly designed to degrade or subjugate the French-speaking people of the province of Quebec. Long enough has the province of Quebec been used as a guinea-pig for the federal government's attempts at domination and constant encroachments upon fields of provincial jurisdiction. It is high time to put an end to this and to revert to strict recognizance of the equality of the provinces before the federal legislation, according to the solemn requirements of our present constitution as set out in the British North America Act.

A while ago, the hon. member for Joliette (Mr. La Salle) said that current events and the uncertainty prevailing in Canada, and particularly in Quebec, are ascribable to the deficiencies of the constitution. My reply is that it has nothing to do with the constitution, but with the stomach.

• (9:40 p.m.)

When everybody has enough to eat, we shall not need a constitution other than the one we already have and which says that all Canadians, whether they be of French or English descent, must be treated as equals. Therefore, we cannot make a better constitution than the one we already have. Therefore, our problem is not of a constitutional nature but rather of an economic one. Let us solve that problem, let us recognize, once and for all, that this economic problem can be settled, thus putting an end to all the social disturbances that we know.

Some hon. Members: Hear, hear.

Mr. Latulippe: Let us find a way to make this act applicable to Canada as a whole and not to Quebec alone.

We would thus give satisfaction to the people of Quebec and, at the same time, we would show a real sense of equity, thus ensuring harmony and justice. We will demonstrate our intent to reinforce Canadian unity not by speeches, as it has so often been the case, but by our actions. We cannot achieve Canadian unity by recriminating against each other at every opportunity.

What we say is plain enough for the government to understand our aims. The government enjoys an absolute majority in the House and it is thus in a position to give us what we are asking for. They cannot pass the responsibility of their refusal onto someone else. If the government, in its stubbornness, continues to restrict the scope of that legislation to the sole province of Quebec, their gesture will be assessed as it deserves by the coming generations for they will bear that mark forever. It is still time for them to change their line. If we have a Canadian government—or a government which pretends to be Canadian—let it pass legislation that will benefit all Canadians.

The government refused Quebec long enough the special status it has always asked. Now that we no longer want that special status because it is tainted with prejudice, this act is to be passed. Let the government beware of being deliberately stubborn and taking advantage of the absolute majority it owes the Canadian people and the province of Quebec. Precisely because it promised to achieve a just society, a united Canada, it should not now take advantage of its absolute majority to exercise it against the mandate the people gave it.

I trust the Minister of Justice is awake enough to understand what I am asking of him. Can he give me a specific answer on the problem I am explaining to him? If the government takes advantage of its absolute majority to turn a deaf ear, it will contribute further to feeding those elements of dissension amongst the people from which stems the very violence it wants to avoid through this act to provide emergency powers for the preservation of public order in Canada.

The government should understand that violence does not happen all at once. Violence can be cultivated and the means the government is using to fight it should not serve to give it new strength and new justifications. As far as we are concerned, we are serious and we claim only what we think is fair and reasonable under the circumstances. It is up to the government to decide.

We are facing at present two large ideologies, communism and capitalism. Communism, if pushed to excess, preaches the use of all means to dominate the universe one day. We do not want this system because the capitalist system is the best in the world. If we are unable, in our capitalist system, to find a solution to our problems, we will then fall under the yoke of an ideology which is complete opposite to ours.

If under the great communist ideology, three meals a day can be guaranteed to everybody, why can we not, under our capitalist system, guarantee the same thing, in freedom?

[Mr. Latulippe.]

Another very important reason justifies the application of this legislation to all of Canada, and not only to Quebec. This reason was given by the sponsor of the bill, the Minister of Justice.

On November 4, the minister made the following statement, as reported on page 883 of *Hansard*. I quote:

> Our criminal law was unprepared, both in substance and procedure, both operationally and philosophically, to deal with the kind of terrorist activity and violence which we have witnessed in recent weeks.
>
> It was not meant for a society wherein terror and violence suddenly became synchronized.
>
> The criminal law, as we have it now, assumes that a crime is primarily an individual act or is committed by a single individual. Our criminal law is not equipped fundamentally to deal with organized group violence or organized terrorism.

This quite sensible statement of the Minister of Justice proves that we need legislation to deal with organized violence and terrorism. But is it only in the province of Quebec that we must be ready to deal with them?

If acts of terrorism and violence are committed in other provinces, we will not be ready to take the necessary steps to deal with them. Is that what we want?

This bill should keep its national scope. Indeed, it would be logical to be ready to fight terrorism everywhere if it became necessary. Why should we be ready only in Quebec and not in the other provinces? The hon. Minister of Justice will answer me, if he feels like it.

He himself regrets certain deficiencies as regards the criminal law. The minister wants to correct them for the province of Quebec while leaving them for the other provinces. Why should it be so? Why this distinction and this discrimination?

The same deeds perpetrated in the province of Quebec will come under the special legislation and not under the Criminal Code.

• (9:50 p.m.)

Has anybody given it any real thought?

Is the position of Minister of Justice created only for the Province of Quebec or for the whole of Canada? That is the question. That is the problem that must be solved immediately, or at least, before the special legislation is passed.

We are not separatists. We don't want to become separatists. Don't force us to turn to separatism. If the minister does not want it, neither do we.

The hon. Minister of Justice is perhaps being stubborn, after having received ample warning of his responsibility to 22 million Canadians, and not merely to 6,400,000 Quebecers. It is still time to avoid a monumental blunder. Will he be wise enough to seize the opportunity offered? Sometimes there is more dignity for a man in turning back than in persisting obstinately on a road which has been recognized to be the wrong one, even after starting on it.

Opposition members and all the others are not here without a purpose. It is not to no avail that all members have the right to speak and advise in the Canadian Parliament. We are opposed to the acts of barbarism and violence which have taken place in Quebec. We want that the army and the police fight together to meet that situation.

At present we can count on part of the army and of the provincial police forces, but we are not sure that we can count on the whole army and all the police forces.

I am sure that there are at present within the army and our provincial police forces F.L.Q. members, people who are against the law. As long as we have the majority of our army and of our provincial police forces behind us, we will be able to maintain law and order, but the day will perhaps come soon where we will no longer be able to trust in them for maintaining law and order in Canada.

Fully conscious of all these facts, politicians, all the leading personalities of our country, and newspapermen all came to a standstill and meditated. But meditation still is not enough. Action is needed. Indeed, action is required against a system which is of no use to us and against the social wrongs of which we are all aware.

If we fail to do that, it will become impossible to improve the situation. The social disorders which we have now are caused by an unfair system.

What we need, Mr. Speaker, is to establish in every family, in every home, a climate of social life. We must ensure that everyone has a place to stay and three meals a day. This is how it should be in a country that abounds in resources; this is what we are struggling for, and we must get it before long, if we are to preserve our democratic institutions.

Mr. André Fortin (Lotbinière): Mr. Speaker, we are now in the third reading stage of the bill to provide temporary emergency powers for the preservation of public order in Canada.

This measure is only but a temporary one since the government intends to adopt a permanent legislation later. That leads to believe that the government did not really mean to replace the War Measures Act that is outmoded and antiquated, by a modern legislative instrument, suitable to the new conditions and the new way of making war, namely terrorism.

The government misled us and introduced this legislation under false pretences, so today the Canadian people are rejecting it.

When the government, taking advantage of the unanimous consent of the House brought forward the War Measures Act for immediate approval it publicly undertook then to introduce in the near future a new and modern piece of legislation whose main characteristic would be that of being permanent. But to our deep disappointment, the government is not honouring its commitment but is putting it off indefinitely. Instead, it introduced this wretched provisional bill which, with a few exceptions, is not so different from the legislation proclaimed on October 16, except that it carries us back 100 years and puts Quebec in a straitjacket.

The government waited more than three weeks before introducing a provisional bill which is quite similar to the War Measures Act.

During the worst part of the crisis which shook the country in October, the government proclaimed the War Measures Act to fight against the illegal and murderous activities of the Front de Libération du Québec.

We then supported the government, because we recognized—as we still do—the danger which the FLQ represents for the future of democracy in Quebec and elsewhere in Canada.

There was some consensus that the War Measures Act was not adequate under the circumstances. The problem is not an easy one to solve.

Faced with dishonourable and pitiless men who go as far as kidnapping two persons and basely murdering one of them to achieve their political goals, the Canadian government and Parliament, as democratic institutions in the highest sense of the word, should always remain vigilant. Extraordinary circumstances call for extraordinary measures to protect our institutions, society and our innocent fellow-citizens.

That being said, one fact remains: laws designed to cure an evil must not create an even greater one.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I rise on a point of order.

Mr. Speaker: Is the hon. minister rising on a point of order?

Mr. Turner (Ottawa-Carleton): Yes, Mr. Speaker.

I wonder whether the House would agree to sit a little later tonight in order to close the debate.

Some hon. Members: Agreed.

[*English*]

Mr. Bell: We are willing to carry on.

[*Translation*]

An hon. Member: No, we still have six members who want to speak.

Mr. Speaker: I must ask for the unanimous consent of the House, and I am not sure of having heard "no".

[*English*]

Mr. Knowles (Winnipeg North Centre): We agree, Mr. Speaker.

[*Translation*]

Mr. Speaker: I do not believe there is unanimous consent.

Proceedings on Adjournment Motion

I just heard "no", which means that we cannot go on with our business. The hon. member's consent came too late. Some of our colleagues have already indicated that they do not agree to have the debate continued after 10 o'clock.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, I think it is fairly important that we have an indication from some privileged soul on the other side concerning our business for tomorrow.

Mr. Turner (Ottawa-Carleton): I understand, Mr. Speaker, that the Parliamentary Secretary to the House Leader already gave an indication of what the business would be for tomorrow.

Mr. Bell: May I ask whether we might be assured that this legislation will not come up tomorrow?

Mr. Turner (Ottawa-Carleton): I do not know what we can be assured of tonight, but I understand it is to be the CNR financing bill tomorrow.

PROCEEDINGS ON ADJOURNMENT MOTION

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

CONSUMER AFFAIRS—FARM MACHINERY PRICE INCREASES PROPOSED BY WHITE MOTOR COMPANY

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, on November 16 I directed the following question to the Minister of Consumer and Corporate Affairs (Mr. Basford):

In view of the fact that farm machinery prices of the White Motor Company, formerly known as Cockshutt, are, as indicated by that company, liable to be increased by 7 per cent on all sales made in 1971, will the minister indicate whether he will refer this to the Prices and Incomes Commission—

• (10:00 p.m.)

The following was a supplementary question to the minister:

Will the minister tell this House and the people of Canada whether he is prepared to take the initiative of inquiring into the profits of these farm machinery companies?

The minister replied to my original question that the company would be expected to comply with the pricing criteria agreed upon last February, but should they raise prices in the manner suggested by me, the Prices and Incomes Commission would examine it. In answer to my supplementary question, the minister said:

I do not understand the question, Mr. Speaker. The Prices and Incomes Commission made it very clear that companies which increase their prices above the pricing criteria agreed upon will be investigated.

[Mr. Speaker.]

The minister said he did not understand my question. I would like to assure him that the farmers understand the question that I asked. The farmers know why they are having this difficulty. They know who is really controlling farm machinery prices, and the Barber commission also knows what is going on. The Barber commission report on farm machinery prices dealt with the pricing mechanism; it said there is collusion and interference by multinational corporations, there is lack of consumer protection by the government and there are some things which are downright illegal. This is the opinion of the Barber Royal Commission on Farm Machinery Prices.

The minister said the company would be expected to comply with the pricing criteria agreed upon last February, but the Barber report noted that to an important degree these multinational corporations are independent of the national authority of individual countries. No authority exists which can exercise control over farm machinery companies; therefore, the words of assurance of the minister have a hollow ring.

Dr. Barber recommended that the government should ask the Combines Investigation Branch to review the commission's findings and discuss them with their counterparts in the United States, Britain and other countries with a view to possible action. Dr. Barber further recommended that if the companies are unco-operative, the government may wish to negotiate with some low-cost producers who are not now in the Canadian market. Surely the minister understands the phrase "consumer costs". Surely he realizes that if the White Motor Company, better known as Cockshutt, is contemplating a 7 per cent increase on 1971 farm machinery, now is the time to act.

I suggest that the minister should move today in regard to the Prices and Incomes Commission. He should instruct the commission to initiate, or perhaps the minister himself could initiate, an investigation under the Combines Investigation Act. We are all fully aware of the fact that another country tried to import tractors into this country and in too many instances met with a closed door. One such case is that of the tractors that the U.S.S.R. attempted to import into Canada. A short article in the newspaper suggested that Agriweek disputed findings of the royal commission on farm machinery. The article reads:

It reported last January that Canadian farmers are being forced by large international companies to pay too much for tractors and implements.

"Particularly peculiar" said Agriweek, "is the origin of the tractors which we offered as the solution to the farmer's plight.

We know that the farmers in this country are being policed by recognized international machinery companies. We also know that other tractors could be imported into Canada at a lower price than those now being offered for sale to the Canadian agricultural producer. I think the obligation rests upon the Minister of Consumer and Corporate Affairs to initiate an investigation into farm machinery prices, in order that the tractor buyer will be protected from this type of fleecing by international farm machinery companies. I do not think it is asking too

much that this type of action be initiated in order to protect the Canadian consumer.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): Mr. Speaker, in replying on behalf of the minister I would say that pursuant to the minister's statement of November 16 in reply to the hon. member, the Prices and Incomes Commission has inquired into the situation. As hon. members may be aware, the first steps taken by the Prices and Incomes Commission when it receives a report of a proposed price increase is to check with the company to determine if the report is true. If the answer is in the affirmative, a preliminary investigation is initiated. If the preliminary report warrants it, a full-scale investigation is conducted, followed by a published report on the situation. Nothing more can usefully be said at this time. However, the hon. member is aware, of course, of the minister's determination to concern himself actively with allegations of this kind.

[*Translation*]

CANADIAN BROADCASTING CORPORATION—ESTABLISHMENT OF ROYAL COMMISSION TO STUDY ATTITUDE FOLLOWING RECENT EVENTS IN QUEBEC

Mr. André Fortin (Lotbinière): Mr. Speaker, on November 23 past, I asked the hon. Secretary of State (Mr. Pelletier) to appoint a royal commission to investigate the CBC French network with regard to the crisis which occurred recently in Quebec and terrorism in general.

At that time the Secretary of State did not give me a satisfactory answer. This is why I should like tonight to ask him the question again.

In my opinion, the French network of the CBC is a controlled agency which does not give an objective information to the extent that it becomes sometimes dishonest. It has become the voice of the revolution however it is a Crown corporation towards which every Canadian citizen pays taxes without having any control on it.

CBC totally ignores the positive side of our democracy, our institutions and our public men but gives the people a false image of the truth to serve its purpose. Besides, since the Canadian people pay taxes, they are entitled to more respect from the CBC.

Mr. Speaker, CBC has become an ivory tower. It is an untouchable organization and more over a national shame. We want a full enquiry and a complete reform of the CBC, and a real clean-up. We want CBC to serve all the Canadian people and not only the revolutionary forces. We demand a complete investigation on the activities and the operations of the CBC French network so that the French Canadians have the same good quality service as our English speaking friends.

We want to know how CBC spends so indiscriminately public money allowing for instance exorbitant expense accounts.

Mr. Speaker, this is a shameless waste of money at the service of violence and terrorism.

I think Quebecers and all Canadians have a right to full information. In view of the fact that the CBC is a Crown corporation and a public service we would like it to be a public service and not to be only at the service of certain private interests.

This is why we are doing our utmost to obtain the appointment of a Royal Commission that will allow Canadians to know what is going on in this ivory tower since the Secretary of State denies us any kind of information in this regard.

Mr. Hugh Faulkner (Parliamentary Secretary to Secretary of State): Mr. Speaker, as we know, according to the Canadian Broadcasting Act the C.R.T.C. may sponsor research relating to any aspect of broadcasting.

Under another section of the act, the C.R.T.C. may inquire and hold a public hearing following a complaint by a person or a group of persons with respect to any matter within the powers of the commission.

I do not think that the C.R.T.C., up to now, has actually received any complaint concerning the matter with which the hon. member dealt. As the Secretary of State said in the House, the C.R.T.C. has asked some stations for the tapes or transcriptions pertaining to some programs, in conformity with section 4(5) of the C.R.T.C. regulations and with the provisions of the Broadcasting Act.

• (10:10 p.m.)

[*English*]

AGRICULTURE—ALLEGED LOSS OF QUOTAS BY WESTERN CANADA DAIRY FARMERS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, today I asked a question of the Minister of Agriculture (Mr. Olson) concerning the declining dairy quotas. I asked the minister if he would intervene to reverse this situation before the dairy industry suffers irreparable loss. In his reply the minister referred to the question as "an erroneous preamble which makes it impossible to answer". He went on to say that no one in western Canada has lost a dairy quota unless he has given it up.

Mr. Speaker, from the hon. gentleman who is responsible for agriculture in this country I found the lack of reply and the manner in which it was delivered very disconcerting. I can understand why at the Liberal party conference at the weekend the hon. member for Assiniboia (Mr. Douglas) made an impassioned plea to delegates to have greater concern for agriculture because the government was weak in agricultural policy. He was putting it mildly, in light of the situation to which I have referred.

I notice that at the same conference the Prime Minister (Mr. Trudeau) said he was humble about agriculture. I suppose the comment on that remark would be that he has much to be humble about. But he further said that the Minister of Agriculture keeps him fully informed, so I can understand the Prime Minister's difficulty in this respect in light of the answer I received today. Obviously, we have a real problem in agriculture and I am not just drawing this difficulty out of the air. The Depart-

ment of Agriculture in Manitoba stated, as reported in the Manitoba *Co-operator:*

> —his department is concerned when a quota is not used by a producer who has gone out of the business. This means, essentially, that the quota has been lost to the province and, if too many quotas are lost, the dairy industry in Manitoba will suffer.

I paraphrased that statement almost in toto in the question I asked today. I refer, also, to the report issued by the Department of Agriculture on the congress taking place at the moment. The report, dated November 25, states:

> The National Dairy Council of Canada warned that a continuation of the present federal government policy "may be expected to result in further production declines and could lead to an over-all shortage of milk.

It states, further:

> The council says "it would seem prudent... to refrain from adoption of policies which would further diminish production and to press forward as rapidly as possible with new product development, sales promotion and educational programs, and pricing policies designed to encourage a maximum consumption of dairy foods."

I think that is a very responsible basis for the question I asked today. It may be true, as the minister implied, that there is no drastic drop at the moment and there is no drastic redistribution as between east and west, but when the policy was first introduced there was a drastic drop and a drastic transfer of quota allocation between east and west. This is another example of the failure of the government to take into consideration the regional differences that exist in this country, Mr. Speaker.

I refer, also, to the Financial Outlook Bulletin issued by the government, which points out that in 1967-68 there were 165,000 producers in the dairy business in Canada, and in 1969-70 the number of producers had dropped to 114,400. So there is a major problem. In the west it has meant that 10,000 farm families have been driven off the land.

There is a complete failure by the government to take into consideration the social and human aspects of the problem because of their desire to deal in an arbitrary manner with the supply-management problem. This is causing a decline in rural communities and it is creating problems in urban communities. This policy was reversed when it was found to be contributing to the decline in the rural situation. I urge the minister and the government to follow the recommendations of the Canadian Agricultural Congress and to establish a realistic policy for the dairy industry of Canada which is facing a real crisis.

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, as the hon. member knows, the Minister of Agriculture (Mr. Olson) is president of the Agricultural Congress. The hon. member for Brandon-Souris (Mr. Dinsdale) appears to imply that it has been the deliberate policy of the Canadian Dairy Commission to transfer subsidy eligibility quotas from western Canada to eastern Canada. This is not correct. Subsidy quotas have never been allocated on a regional basis. They are now, and always have been, allocated on the basis of individual farmers, and the rules and procedures are, and have been, the same in all parts of Canada.

To deal with the charge made by the hon. member it is necessary to go back over the history of subsidy quotas. These were first issued in 1967. At that point they were based on each producer's deliveries in the preceding year, with one important exception. The exception was that a shipper who had delivered less than 50,000 pounds of milk, or 1,750 pounds of butterfat, in 1966 was given a quota for 1,750 pounds of butterfat in 1967. Because of the large number of small shippers in the Prairie provinces, this resulted in the total of the quotas given to producers in those three provinces being very much greater than their deliveries in the previous year.

In 1966, manufacturing milk and cream shippers in Alberta, Saskatchewan and Manitoba had delivered 64.4 million pounds of butterfat. The total of the quotas given to those producers in 1967 was 126.8 million pounds of butterfat, almost twice as great, in total, as their deliveries in the previous year. In Ontario and Quebec the same class of producers had delivered 267.6 million pounds of butterfat and they were given quotas for 1967 for 299.6 million pounds. In brief, shippers in the Prairie provinces were given 1967 quotas 97 per cent greater, in total, than their total 1966 deliveries, while the 1967 quotas for Ontario and Quebec producers were only 12 per cent more than their 1966 deliveries.

Mr. Speaker: Order, please. I regret to interrupt the Parliamentary Secretary, but his time expired at least a minute ago.

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

HOUSE OF COMMONS

Friday, November 27, 1970

The House met at 11 a.m.

ROUTINE PROCEEDINGS

WAYS AND MEANS

DESIGNATION OF ORDER OF THE DAY TO DEBATE WAYS AND MEANS MOTION

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, pursuant to Standing Order 60(2) I should like to request the designation of an Order of the Day for the consideration of a ways and means motion so that I may make a budget presentation on Thursday next at eight p.m.

* * *

[*Translation*]

SHIPBUILDING

ANNOUNCEMENT OF EXTENSION PROGRAM

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I wish to announce an extension of the government's national program for shipbuilding which will help shipbuilders throughout Canada to obtain export orders.

As hon. members are aware, shipbuilding activity in Canadian yards has been at a low level this year despite the support available for the construction of Canadian flag vessels for domestic use. Employment has seriously declined and will continue to do so.

At the same time the international market for ships has strengthened. Demand has more than doubled since 1965 and is now running at some $15 billion per year on the world basis. The extension of government assistance to the industry which I am announcing today is designed to help our yards share in this strong market.

To penetrate the international market it is important for Canadian shipbuilders to achieve lower unit costs. Multiple unit production is one of the ways to improve cost performance. To this end the government has decided on a temporary program of support for the building of ships for export.

The program will apply to firm export orders received by Canadian shipyards prior to June 30, 1972. Support will be granted to shipyards up to an amount of 17 per cent of the audited costs of a ship built for export and under 40,000 deadweight tons. For ships over 40,000 deadweight tons the support will amount to 14 per cent of audited costs. The rate of this temporary assistance will decline after September 30, 1971 by ½ of 1 per cent per quarter. In determining the base for support, profits will be excluded. Detailed information as to the various conditions of government assistance will be announced in regulations to be issued in the near future. The necessary approval of Parliament will be sought shortly.

I understand that as much as $300 million worth of export orders representing over 14,000 man years of employment for this mainly Canadian-owned and operated industry may be available to competitive Canadian shipyards which can offer early delivery.

[*English*]

I trust that the government's decision to give this special temporary support will help to maintain employment during the period until the domestic shipbuilding market strengthens. I hope that the activity generated will place our yards in a better position to bid for continuing export as well as domestic business. It is not intended that during the life of this program our industry should overexpand in relation to anticipated long-term demand.

I believe that the expected higher level of business will help our yards further to diversify their production and reduce vulnerability to fluctuations in the demand for vessels. It is significant that a number of our yards are already producing efficiently a wide variety of heavy equipment.

• (11:10 a.m.)

In recent years Canadian shipyards have improved their competitive competence and product capability and have increased their productivity and lowered their costs. This process has been facilitated by government policies directed toward the encouragement of a healthy and viable industry. The modernization of shipyards has been encouraged under the programs of the Department of Industry, Trade and Commerce, and support for such modernization and diversification will be continued.

Mr. Speaker, I wish to file a copy in both official languages of my statement and the press release on the shipbuilding expansion program.

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, we of the Official Opposition welcome the statement the minister has made in the House today on this most important matter. I did not realize that the question I directed to him yesterday would get him going so quickly, but I thank him for doing so.

Shipbuilding subsidies were introduced by the former government under the right hon. member for Prince Albert (Mr. Diefenbaker) as a program to assist the industry in this country to become competitive with foreign shipyards. As we all know, to the end of 1969 the

subsidy amounted to 25 per cent but under the present plan will decline to 17 per cent by 1973.

I commend the minister for the step he is taking to assist our shipyards in getting into the export market. This is important, but it is only a stopgap measure and something of greater permanence must be brought forward. I commend to him, as I did yesterday, the recommendations of the Robertson Committee on Shipbuilding. As he pointed out, there are 21 recommendations in that report. Among them is a recommendation that subsidies on commercial shipbuilding remain at 23 per cent for deliveries prior to June 30, 1973.

Also of importance are the subsidies under the Department of Fisheries and Forestry in respect of fishing trawlers. These must also be maintained because of their importance.

I think the minister and the government should take cognizance of recommendation No. 1 of the Robertson Committee Report:

> That the government develop, formulate and state a maritime policy that will ensure fulfilment of Canada's maritime interests, and that it establish appropriate organizational arrangements for continuous implementation of that policy.

I always believe in starting at the beginning so I commend recommendation No. 1 to the minister. We welcome the assistance in respect of export markets and we look forward to a permanent maritime policy which will help the shipbuilding industry of this country. The measures taken are helpful but a permanent policy must be forthcoming at an early date to assist in solving the unemployment problem. As the minister has said, activity in Canadian shipbuilding yards has been at a low level this year. The only way it can be brought to a higher, permanent level is by the government coming forward with a permanent and complete maritime policy.

Mr. Max Saltsman (Waterloo): Mr. Speaker, I have no congratulations for the minister or the government today because, after all, what does one say to a government which after systematically running around for the last two years destroying the economy now comes forward with some measures to make up for the destruction it has caused? Over and over again we have pointed out the high cost of unemployment to this country and the inability of adjustments to take place as a result of the deliberate unemployment policies of the government.

The government panicked. The government created unemployment in a futile effort to control inflation. It has not been successful in controlling inflation and its unemployment policies have been absolutely damaging to the economy. Then the government comes to the House of Commons, yesterday with a shirt policy and today with this measure in respect of shipbuilding, and expects to be congratulated. Their actions remind me of their campaign teams during the last election. They had one team putting up signs and another team tearing them down. That is the kind of arrangement they have now. They have one group trying to regulate the economy and they have another group which is trying to put the sticks together—

[Mr. MacEwan.]

Mr. Speaker: Order, please. The hon. member has the floor for the purpose of commenting on the statement made to the House and not to make the kind of speech he is now making. If the hon. member will consult the Standing Orders he will know that he has no right to make this kind of speech.

Mr. Saltsman: Thank you for the advice, Mr. Speaker. I was merely attempting to put the statement before us in the proper context. Having made those remarks, I think it is necessary that we move in this direction but only because of the damage that has been caused to the economy and the need to repair some of it. If anything good can be said about this measure it is simply that it is much better to encourage the shipyards in this way than with another *Bonaventure*.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, the minister has just announced a program intended to attract international contracts estimated at up to $300 million, and representing 14,000 men-years of work during the next five years.

Mr. Speaker, some people take pleasure in playing on words, just as they do with our Canadian dollars when dealing with foreigners.

Although our coastline is nearly three times the circumference of the world, although we have the largest inland sea in the world and the most beautiful river, because of an irresponsible policy we have no Canadian clients.

To remedy the situation, the government is endeavouring to take over part of the market. It is setting out to conquer world markets, in an attempt to find companies or foreign countries willing to buy a few ships from Canada.

Finally, a few workers will be in a position to take advantage of the new jobs created under this program. Unfortunately, it is again a program aimed at creating jobs for water-carriers because we have neglected that sector of our economy and waited until there was a general paralysis. By putting that program into effect, the government will give with one hand and tax with the other.

The program will apply to firm orders received by Canadian shipyards before June 30, 1972. The shipyards will receive assistance which could reach up to 17 per cent of the controlled cost of a ship built for exportation purposes, etc.

Since Canada no longer owns too many ships, the population will have to pay to keep the few jobs still existing in the shipyards.

I am pleased as are the shipyards owners who will benefit from the program. The members of the Ralliement Créditiste rejoice with the workers who still have a job and those who will be hired under this program. Unfortunately, we must recognize that the program is very limited as compared with the possibilities existing in Canada.

Mr. Speaker, I seize the opportunity to ask the minister to consider other programs so that the country could be equipped with a merchant marine similar to the one it had a hundred years ago.

* * *

[*English*]

CANADA DEVELOPMENT CORPORATION

On the order: Introduction of Bills:

November 24, 1970—Mr. Saltsman—Bill intituled: "An Act to establish a Canada Development Corporation".

Mr. Speaker: I think I should bring to the attention of the hon. member and the House that after a quick look at the bill proposed by the hon. member I have serious reservations about it and will not put the motion at this time. The hon. member may wish to give some thought to the possible financial implications of the bill. As he knows, of course, the measure proposed for the consideration of the House under the title "An Act to establish a Canada Development Corporation" is, perhaps by coincidence, substantially the same as the bill assented to on April 24, 1970 under the title "An Act to Establish the International Development Research Centre". As the hon. member is aware, that bill had been preceded by a royal recommendation and I am rather suspicious that this would be required in this instance, although an effort obviously has been made by the hon. member to eliminate the most obvious financial implications of the bill.

• (11:20 a.m.)

If the hon. member will look at some of the clauses, in particular clause 11 or at any rate the clause which provides for the appointment of officers and agents and employees, he will detect, as I do, a faint odour of money in this clause. I have some doubts regarding the opening of a bank account and the payment of sums out of such bank account. I doubt whether the hon. member has succeeded in his imaginative efforts to remove all financial implications from the bill.

I do not want to be unfair to the hon. member. I would like to have a serious look at the bill and, if possible, give the hon. member the benefit of the doubt. Perhaps on Monday next the hon. member might have an opportunity to explain to the House his point of view and indicate why he thinks I may be in error in suggesting that this bill has financial implications.

ORAL QUESTION PERIOD

THE BUDGET

FORM OF PRESENTATION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in view of the rather welcome announcement on motions by the Minister of Finance, would he advise the House whether his budget will be in the usual form and contain the usual budget resolutions requiring lengthy legislative consideration by the House?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, it is very difficult for me to say what is going to be in the budget at this time. If resolutions are necessary, of course we will present them in the ordinary way.

Mr. Lambert (Edmonton West): Without trying to delve into the contents of the budget in detail, may I ask the minister to advise us whether the budget proposals will include any reference to the white paper on taxation and the subject matters and recommendations contained in that document?

CONSULTATIONS WITH PROVINCIAL OFFICIALS—BRIEFING OF PARTY REPRESENTATIVES PRIOR TO PRESENTATION

Mr. Max Saltsman (Waterloo): May I ask the Minister of Finance whether he has consulted with the provincial representatives in this matter and, if so, when he commenced his consultations with them?

Hon. E. J. Benson (Minister of Finance): The officials of the provincial governments have been here for the last couple of days talking about the meeting of Ministers of Finance which is to take place in a couple of weeks. I believe my officials pointed out some of the problems in the economy and this sort of thing to them but did not refer to the specific matters in the budget.

Mr. Saltsman: Will the minister make arrangements for the respective party representatives and research staff to be briefed in confidence prior to the budget presentation, similar to the privilege given to the news media?

Mr. Benson: Mr. Speaker, I will follow the same practice that was followed last time when we presented the white paper whereby one or two representatives of each party were briefed. I will try to arrange this. However, I do not think we can move to the stage where we have research staff and other people briefed as well. This would create an impossible situation. I think the question is, who is allowed into the so-called secret press briefing and who is not.

EFFECT OF POSSIBLE CHANGES ON UNEMPLOYMENT

Mr. J. Edward Broadbent (Oshawa-Whitby): In view of the fact that the spin-off effects of whatever changes in economic policy are made now will not have an effect on unemployment levels this winter, is the government reconsidering its position with regard to the immediate raising of unemployment insurance payments?

Hon. E. J. Benson (Minister of Finance): My hon. friend has arrived at an interesting conclusion without knowing what is in the budget. I could not arrive at the same conclusion.

[*Translation*]

ALLEGED ABOLITION OF SALES TAX ON BUILDING MATERIALS

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I would like to ask the Minister of Finance a supplementary question.

Since the government apparently intends to repeal the sales tax on building materials will this measure be retroactive?

Mr. Speaker: I draw the attention of the hon. member to the fact that his question is hypothetical.

[*English*]

POSSIBLE CONTROL OF BANK PROFITS

Mr. John Burton (Regina East): Mr. Speaker, in view of the fact that three banks have now announced substantial increases in profits, is the Minister of Finance giving consideration to any control over bank profits in developing his policy statement for next week?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, according to long-standing custom of the House I really cannot say what I am going to include in my statement next week.

* * *

[*Translation*]

EXTERNAL AFFAIRS

NATO—APPLICATION BY SOUTH AFRICA FOR MEMBERSHIP

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to address a question to the hon. Minister of National Defence.

Can he tell us whether he is aware of a request from South Africa to become a member of NATO and which position Canada intends to take in the matter?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, I am not aware of such a request, but it seems evident that South Africa is not located within the North Atlantic region.

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

Can the minister tell us if there have been any talks between NATO and South Africa about the protection of the Cape route and the Indian Ocean against Soviet ships on the Indian Ocean?

Mr. Macdonald (Rosedale): Mr. Speaker, I do not believe there have been talks on this subjects and I doubt that there will be any.

* * *

[*English*]

AUDITOR GENERAL

SUGGESTED WITHDRAWAL OF BILL

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I would like to ask the Prime Minister whether, in view of the universal opposition, he will now agree to withdraw Bill C-190?

Right Hon. P. E. Trudeau (Prime Minister): I do not know if the hon. member is seriously suggesting this, Mr. Speaker. As the House knows, the bill was drawn up by the government following the directions given to it by the committee chaired by a Conservative member and of which, I understand, the member asking the question was also a member. If it is the desire of the House to withdraw this bill, we will certainly give it most serious consideration, but it seems to me the opposition is in the curious position of reproaching the government for drawing a bill which follows exactly the instructions given to it by the committee.

Mr. Baldwin: Is the Prime Minister not aware that this party, irrespective of the views of the committee, was, is and still will be totally opposed to the principles of this bill? I would also like to ask the Prime Minister—

Mr. Speaker: Order, please.

Mr. Baldwin: I would also like to ask the Prime Minister—

Mr. Speaker: Order, please.

Mr. Baldwin: —if he will agree—

Mr. Speaker: Order. The hon. member knows the reservations which the Chair has about asking questions about a bill on the order paper, discussion of which has not yet been reached. That is clearly anticipating a government order. I allowed the hon. member to ask the question because I felt guilty about having disallowed his questions so often, but I suggest we should not enter into a debate at this point.

Mr. Trudeau: On a question of privilege, Mr. Speaker—

Mr. Baldwin: On the point of order—

Mr. Speaker: Order. The Prime Minister rises on a question of privilege. I believe a question of privilege has precedence over the hon. member's point of order.

Mr. Trudeau: Mr. Speaker, the hon. member put on the record that the government knows that the opposition are opposed to this bill. I do not know how we could know—

Mr. MacInnis: That is not privilege.

Mr. Horner: That is no point of privilege.

Mr. Trudeau: The privilege is that we are told we know something—

Mr. Diefenbaker: That's a mistake.

Mr. Trudeau: —and I say we cannot possibly know it.

Mr. Speaker: Order, please. May we have order.

Mr. Trudeau: Mr. Speaker, the only basis on which we could know the opposition's position is the way its members voted unanimously in the committee and recommended this bill.

Mr. Baldwin: Mr. Speaker, the point of order which Your Honour raised is quite correct, but I submit I am entitled to ask general questions without going into details of the bill. I ask the Prime Minister, is he now prepared to bring the bill forward for immediate discussion so that we can settle once and for all whether the autocratic tendencies to stifle criticism of the Prime Minister or the views of the taxpayers are prevail?

Mr. Speaker: Order, please. The hon. member knows that the question as asked is not in order and should not be asked.

Mr. Trudeau: Mr. Speaker—

Mr. Speaker: Order, please.

Some hon. Members: Order.

Mr. Speaker: The right hon. member for Prince Albert.

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NATIONAL DEFENCE

EXPRESSION OF APPRECIATION TO ARMED FORCES FOR MANNER IN WHICH PROMINENT PERSONS GUARDED

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I feel sure that the question I wish to direct to the Minister of National Defence will receive the support of all hon. members who have had members of the armed forces present at their homes during recent weeks. While yet unconvinced that the course was necessary I would ask the minister, on behalf of all who had members of the forces at their homes, to convey to the Canadian Armed Forces thanks and appreciation for the manner in which all ranks have discharged their responsibility beyond the actual call of duty and to let them know that their efficiency and courtesy during difficult days and under uncomfortable circumstances have done honour to them and to our country.

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, I appreciate the right hon. gentleman having raised the question and I should like to say that I will be most happy to convey his commendation to the forces. Perhaps no compliment to our armed forces could be conveyed to them more felicitously than in the words of the right hon. gentleman and I shall be very pleased to pass it on.

ARMED FORCES—ANNOUNCEMENT OF PAY INCREASES—ENCOURAGEMENT OF RE-ENLISTMENT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is directed to the Minister of National Defence. If you will permit me, I should like to thank him for the news with respect to pay raises for the armed forces which we heard this morning. While we

welcome the raises, I should like to ask whether the minister could indicate to the House what special considerations were given in the structure of the pay increases to encourage a higher rate of re-enlistment?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, I am pleased to confirm that effective October 1, 1970, there will be an increase of 6.06 per cent in the salary of members of the armed forces of the rank of colonel and below. Some of the specific provisions will be with regard to those specialties in which there is a special need to keep competitive with the private area. I refer particularly to some aircrew and airborne staff, and also with regard to sea and air duty. There will be increases in the allowances available in those areas to assure that those particular specialties do not fall behind.

Mr. Forrestall: Because it is quite apparent that the minister has not addressed himself to the question of incentive bonuses, can the minister indicate to the House if this current series of pay increases is in any way designed to narrow the disparity that exists between pay increases to the armed forces over the last eight or ten years compared with pay increases to the Public Service over the same period?

Mr. Macdonald (Rosedale): Mr. Speaker, I disagree with the hon. member's conclusion. I would point out that particularly in the case of certain groups such as air crew and submariners and also other specialist tradesmen there has been a specific increase beyond the increases made available to the forces generally. With regard to the general position of the armed forces, the government has had under review for the period of the past year a series of proposals to try, in the first place, to bring the manner of remunerating the armed forces into close comparison both with the Public Service generally and with the private sector. We hope to have this review completed in time for the increases which might come into effect in the next calendar year. At that time efforts will be made to put them on a comparable basis.

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AUDITOR GENERAL

REPORTED DISSATISFACTION OF STAFF MEMBERS WITH SALARIES

Mr. Barry Mather (Surrey): Mr. Speaker, I have a question for the President of the Treasury Board. Is the minister aware of reports of dissatisfaction among the staff of the Auditor General which reportedly resulted in a meeting of members of the staff this week over their present wage and salary scales? If so, would he look into this matter which it seems to me may further handicap the work of the Auditor General?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the question of the administrative arrangements governing the staff of the Auditor General was quite extensively investigated last spring by the Public Accounts Committee and the record of their proceedings

is quite clear. If there are additional items to which the hon. member refers, I should be glad to have the details and inquire into them.

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PUBLIC SERVICE

SHARING OF DECISIONS AFFECTING JOB CLASSIFICATIONS WITH EMPLOYEES—AMENDMENT OF LEGISLATION

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, since the government has had a week to digest some of the decisions of the recent Liberal party conference, is the President of the Treasury Board considering the amendment of the Public Service Staff Relations Act to allow decisions affecting classifications and job descriptions, now the sole prerogative of the government, to be shared with its employees?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the hon. member is quite correct. The government is now reviewing the Public Service Staff Relations Act.

Mr. Rose: Mr. Speaker, this is welcome news, but in view of the fact that many CR positions in the government service are being reclassified and reduced at the present time, does the minister not feel that this procedure makes a farce of the whole collective bargaining process?

Mr. Speaker: Order, please. The hon. member's question is of a highly argumentative nature and cannot be accepted.

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[*Translation*]

TRADE

PURCHASE BY JAPAN OF RAW MATERIALS OR FINISHED PRODUCTS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Minister of Energy, Mines and Resources.

Recently, the minister announced that he will head the ministerial and industrial Canadian delegation to Japan. I would like to ask him if, in addition to promoting the sale of crude Canadian ore, he will also attempt to interest the Japanese representatives in buying our finished products, which would be more useful, I think, for the Canadian economy.

[*English*]

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, the purpose of the commission is to discuss all facets of mining relating to the relationship between the Japanese purchasing agencies, private and public, and in Canada, with respect to both the private and public sector. Certainly we will be considering finished products and raw materials as well as investment policies.

POST OFFICE

COMMEMORATIVE STAMP TO HONOUR WILLIAM HAMILTON MERRITT

Mr. H. Gordon Barrett (Lincoln): Mr. Speaker, I wish at this time to bring to the attention of hon. members that today, November 27, is the 141st anniversary of a date significant in the history of Canada—the passage of the first ship through the Welland Canal which had been built through pioneering—

Mr. Speaker: Order, please. The hon. member should ask a question.

Mr. Barrett: The question is, Mr. Speaker, that in recent years the government has recognized outstanding Canadians by the issuance of commemorative postage stamps. I should like to ask the Minister without Portfolio in charge of the Post Office if the name of Canada's father of transportation, Mr. William Hamilton Merritt—

An hon. Member: Merritt or Barrett?

Mr. Barrett: —would be considered as deserving of this honour in the future?

Hon. Jean-Pierre Côté (Minister without Portfolio): Mr. Speaker, I should like to thank the hon. member for giving me notice of this question. The commemoration of this outstanding Canadian by means of a postage stamp will be given the most sympathetic consideration when a suitable anniversary occurs, which would be on a 50th anniversary or a multiple of that figure.

Mr. Heath Macquarrie (Hillsborough): A supplementary question, Mr. Speaker. Since Monday is St. Andrew's Day, will the minister give consideration to emulating the Soviet Union by bringing out a stamp to honour Robert Burns?

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LABOUR RELATIONS

GENERAL MOTORS STRIKE, STE. THÉRÈSE—ACTION TO EXPEDITE SETTLEMENT

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, in the absence of the Minister of Labour I should like to address a question to his Parliamentary Secretary. Has the minister offered the services of his department to assist in settling the General Motors strike in Ste. Thérèse, in light of the consequences for the future of a very serious national strike and its effect on language development in Canada?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): The hon. member is aware of course, Mr. Speaker, that this matter is under provincial jurisdiction. At the same time, I am sure he appreciates the deep concern of the minister with industrial unrest wherever it occurs in Canada, and I shall report the hon. member's question to the minister.

NATIONAL DEFENCE

DESTROYER CONSTRUCTION PROGRAM—TREASURY BOARD APPROVAL

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the President of the Treasury Board. Did the Treasury Board approve a full go ahead on the destroyer escort program?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the Treasury Board has in the past authorized such things as are necessary to be authorized to enable the destroyers to be constructed.

Mr. Bell: I have a supplementary question, Mr. Speaker, concerning the matter of extra defence costs. Is there any evidence that if the Minister of National Defence does not get his way in such matters he will disembowel himself as the minister—

Mr. Speaker: Order, please. The hon. member for Spadina.

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URBAN AFFAIRS

FINANCIAL ASSISTANCE FOR MASS TRANSIT SYSTEMS

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my question is for the minister responsible for urban affairs. Would the minister inform the House whether the government intends to set up a fund in order to help the cities to improve their mass transit systems?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, no such specific decision on such a specific program has been agreed upon yet. The whole question of assistance to the cities, in co-operation with provincial governments, is a matter that will be assigned to the new ministry that is to be created. This, among many other matters, will be discussed with our provincial counterparts.

Mr. Ryan: Has there been any decision to assist the city of Montreal with the extension of its subway system?

Mr. Andras: Not specifically to my knowledge, Mr. Speaker.

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AIRPORTS

TORONTO—MEETING WITH PROVINCE RESPECTING NEW SITE—PROTECTION AGAINST LAND SPECULATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I direct a related question to the minister. Some time ago, I believe last week, the Minister of Transport indicated that he intended meeting with Premier Robarts with regard to Toronto's second international airport. Considering the minister's interest in urban growth, may I ask him whether this meeting has taken place and has resulted in the necessary safeguards to prevent speculation? If so, when can we expect an announcement regarding the definite sites which are being considered?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, there is consultation between my colleague, the Minister of Transport, and myself on this matter. However, I think the question should properly be posed to him when he returns to the House.

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PENSIONS

OLD AGE SECURITY—MEANING OF GOVERNOR GENERAL'S RECOMMENDATION ON NOTICE PAPER

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Acting Government House Leader. Would the minister filling this role take a look at page iv of the notice paper attached to today's order paper and see whether there is a typographical error. There is a recommendation there that suggests that the basic old age pension is to be raised to $80 a month, which is only 42 cents more than the amount now being paid. Surely this must be an error.

* * *

NATIONAL SECURITY

WAR MEASURES ACT—ALLEGED BEATING OF PERSONS ARRESTED

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, may I direct a question to the Solicitor General. In light of the report that has been in the possession of the Quebec ombudsman regarding beatings of persons arrested under the War Measures Act, has the minister inquired of Quebec ministers whether the officer responsible has been arrested or suspended. If not, what action has the Solicitor General taken?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, I assume the hon. member is referring to the press reports of part of the evidence before the coroner's court. If he is, he will recall that the Minister of Justice of Quebec indicated that he was having that allegation investigated. He made that indication almost immediately after the item was reported in the press.

Mr. Fairweather: Is the Solicitor General or is the Minister of Justice following this case on a daily basis, or is the minister relying on the results of the Quebec investigation?

Mr. McIlraith: Mr. Speaker, the matter is within the responsibilities of the Quebec Attorney General and not of the federal authority. It is my understanding, as indicated in the House by the Minister of Justice, that that minister has been in communication with the Minister of Justice of Quebec over the matter. I am not in possession of the detailed information as to whether this continues daily, or how it is arranged.

Inquiries of the Ministry

WAR MEASURES ACT—ARRESTS, RELEASES, CONTINUING DETENTIONS AND CHARGES

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, as the matter of arrests in Quebec is before the House may I give the House information on the latest statistics, which I think will be of interest. The total number arrested is 454. The total number released to date is 403. Of the remainder of 51, two have been sentenced by the courts, 48 have been charged with various offences and their cases are before the courts, and one person is being detained who has not yet been charged. That person was arrested earlier this week and the matter of whether to charge him or not was being considered last night. I do not know the result.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a supplementary question to ask as a result of the minister's supplementary information. Has he had the opportunity to check out the question that I asked first of the Minister of Justice and second of the Solicitor General about the number of people among the 403 who have been released who might have lost their jobs solely as the result of the original apprehension?

Mr. McIlraith: No, Mr. Speaker, I have not been able to obtain that information yet.

WAR MEASURES ACT—REQUEST FOR STATEMENT ON TREATMENT OF PERSONS HELD IN JAIL

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, may I direct a supplementary question to the Solicitor General. Would he in the near future make a complete statement to the House on the treatment of persons being held in jails so that the public will be informed about these matters and about how these investigations have been conducted?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, I am not quite clear as to just what the hon. member is referring to, in view of the work of the committee that has been reviewing these matters at the request of the Quebec Minister of Justice. I shall see if it is possible to gather together the information that already has been mostly given in this House on the point and add anything to it that can usefully be added.

Right Hon. J. G. Diefenbaker (Prince Albert): A supplementary question, Mr. Speaker. Because of the responsibility of the federal government for bringing in the War Measures Act and because of the degree to which people are concerned about evidence that ill treatment is being handed out, does the minister receive reports from day to day from this committee appointed by the government of the province of Quebec dealing with specific cases?

Mr. McIlraith: Mr. Speaker, the right hon. gentleman started his question by saying, "Because of the federal government having enacted the measure—"

Mr. Diefenbaker: No. It has not enacted it yet; not the new measure.

[Mr. McIlraith.]

Mr. McIlraith: Well, he referred to action taken under an Act of the federal Parliament. The position of any person under that Act is exactly the same, of course, as that of any person arrested under the Criminal Code. It is a federal statute and the responsibility—and I wish to repeat this—the primary responsibility for its administration remains and must remain with the provincial authorities. The right hon. member spoke about information on a day to day basis. I do not think it is fair to say that it is given on a day to day basis. Nevertheless, we have a very close working relationship and do obtain information regularly throughout the period involved.

Mr. Diefenbaker: Mr. Speaker, now that the minister has admitted that the government does obtain information concerning the allegations being made, will he tell the House whether or not the allegations of cruelty and inhumane treatment in specific cases have been looked into and whether the government of Canada thinks there is no justification for so doing on the basis of the information which the government has received from or on behalf of the committee?

Mr. McIlraith: No, Mr. Speaker. Perhaps I was not sufficiently clear a moment ago. The allegation of inhumane treatment, or whatever term the right hon. gentleman used, was in evidence given in an open Quebec court. It was the evidence of one witness and was not, so far as I know, countered; nor was an opportunity given to deal with that evidence by way of rebuttal or otherwise. Consequently I am not in a position to say whether the allegations have any substance in them or not. The investigation of that matter is going on under the responsibility of and is being conducted by the proper authorities of the government of the province concerned.

Mr. Fairweather: But the minister is privy to that information.

Mr. McIlraith: Mr. Speaker, I have no responsibility in relation to that investigation that is going on and do not have detailed information on it. I assume that we will be able to obtain what information can properly be given at the conclusion of the report dealing with what the investigation has disclosed.

Mr. Baldwin: The minister is washing his hands of the matter.

Mr. Diefenbaker: What does the minister mean by "give such information as may be properly furnished"? This government must be responsible particularly for any inhumanity and should certainly see to it that a full investigation takes place. Does the minister not agree with that?

Mr. McIlraith: No, the minister does not agree with the right hon. gentleman's constant attempts to place the federal government in the position of interfering in areas which are the responsibility of the provincial government.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order. There are only a few minutes of the question period left and hon. members should be given the opportunity to ask new questions.

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PENITENTIARIES

PRINCE ALBERT—ESCAPE OF PRISONERS—REQUEST FOR COMMISSION

Mr. John Gilbert (Broadview): My question is also directed to the Solicitor General, Mr. Speaker. Has the minister anything to report on the escape of prisoners from Prince Albert Penitentiary, and would he consider setting up a commission to investigate the conditions and problems of inmates at that penitentiary?

Hon. G. J. McIlraith (Solicitor General): As to the Prince Albert escape, on November 25 we were advised that the 11 inmates of that institution had escaped.

Mr. Baldwin: On their way to the Liberal convention.

Mr. McIlraith: Four are still at large, two having been returned to prison yesterday and the five having been recaptured almost immediately after the escape. As to setting up an inquiry, there is a board of inquiry within the penitentiary service already looking into the matter and until this inquiry has been completed I cannot deal with the question as to whether any further type of inquiry is warranted.

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[*Translation*]

EXTERNAL AFFAIRS

FUTURE SITE OF ICAO HEAD OFFICE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I have a question for the Secretary fo State for External Affairs.

I would like to know whether the minister has made representations to the board of directors of the International Civil Aviation Organization to have them establish their headquarters in the east end of Montreal.

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the federal government is most actively concerned with giving new life to the business section in east end Montreal and besides promoting the construction of Place Radio Canada in that section, it is doing the utmost to have Place Desjardins also located in that area.

However, may I remind the hon. member that it is up to the International Civil Aviation Organization to make decisions concerning the location of its headquarters. The government, however, is doing whatever it can to have this organization stay in Montreal, under terms which take into account the interests of the government and those of ICAO.

Mr. Speaker: Order. The hon. member for Champlain.

Inquiries of the Ministry

NATIONAL SECURITY

EMERGENCY POWERS—DISCUSSIONS BETWEEN PRIME MINISTER AND MR. BOURASSA

Mr. René Matte (Champlain): Mr. Speaker, I wish to direct a question to the Prime Minister.

Did he have talks, during the last two days, with his Quebec colleague about the emergency powers act?

Right Hon. P. E. Trudeau (Prime Minister): Which act?

Mr. Matte: Did the Prime Minister have talks, during the last two days, with the Quebec premier about the emergency powers act?

Mr. Trudeau: Upon my word, Mr. Speaker, I do not think so. I spoke to the Quebec Premier a few days ago, I believe it was on Monday, and I reported about it to the House. But since then I have not had an opportunity to talk to him.

WAR MEASURES ACT—PAYMENT BY QUEBEC FOR SERVICES OF ARMED FORCES

Mr. Roch La Salle (Joliette): Mr. Speaker, questions have been asked for some time about who is going to support the cost of armed forces services in Quebec, and I should like to ask the Prime Minister to tell us today whether there has been any progress in negotiations on this matter, and who will support the cost of these services.

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

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[*English*]

INDUSTRY

GENERAL MOTORS—IMPORTATION OF CARS FROM UNITED STATES WHILE CANADIAN EMPLOYEES STILL ON STRIKE

Mr. J. Edward Broadbent (Oshawa-Whitby): I have a question for the Minister of Industry, Trade and Commerce, Mr. Speaker. Given the fact automotive workers for General Motors have returned to their jobs in the United States, can the minister assure the House that General Motors of Canada will not be allowed to import automobiles from south of the border as long as workers on this side of the border are on strike?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I will look into that, Mr. Speaker.

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ROYAL CANADIAN MINT

PROPOSED TRANSFER TO MANITOBA

Hon. W. G. Dinsdale (Brandon-Souris): My question is directed to the Minister of Supply and Services. Can the hon. gentleman report to the House on the progress he is

making in his plan to transfer the Royal Canadian Mint to the province of Manitoba?

Hon. James A. Richardson (Minister of Supply and Services): We are now at the stage of engineering and design studies; there has been no serious consideration of site location.

Mr. Dinsdale: In the quaint language used by the government, is it safe to say the matter is under active consideration?

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GRAIN

WHEAT—REACHING OF FOUR-BUSHEL QUOTA

Mr. S. J. Korchinski (Mackenzie): I have a question to ask the minister responsible for the Wheat Board. In line with predictions which were made earlier, and because there seems to be some space at the terminals without a corresponding increase in quotas at country elevator points, is the minister still hopeful that a four-bushel quota will be reached by the end of this year?

Hon. Otto E. Lang (Minister of Manpower and Immigration): I am not sure whether any very precise predictions were made as to when a specific quota would be reached. But there should be no doubt in anyone's mind that an eight-bushel quota will be achieved in the course of the crop year.

Some hon. Members: Hear, hear!

* * *

CANADIAN BROADCASTING CORPORATION

PROGRAM FAVOURING LIBERALIZATION OF ABORTION LAW—PROVISION OF EQUAL TIME FOR THOSE OPPOSED

Mr. David Anderson (Esquimalt-Saanich): My question is directed to the minister answering for the Secretary of State. In view of the bias displayed on a CBC program last Sunday night in favour of further liberalization of the law on abortion and, more particularly, in view of the CBC's announced intention to broadcast the results of a public opinion survey on this issue, may I ask whether those who oppose further liberalization of the law will be afforded equal prime viewing time on a Sunday, to express their views?

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): I take the question as notice, Mr. Speaker.

* * *

[*English*]

INQUIRY OF THE MINISTRY

Mr. Steven E. Paproski (Edmonton Centre): In keeping with Grey Cup tradition, we on this side of the House wish the Prime Minister well as he kicks off tomorrow.

[Mr. Dinsdale.]

Some hon. Members: Hear, hear!

Mr. Paproski: I realize that the Prime Minister has hardly ever been wrong during his tenure of office—

Mr. Speaker: Order. I realize the hon. member is referring to an important occasion, but he cannot make a speech. He should ask a question.

Mr. Paproski: It is my understanding that the right hon. gentleman has picked his home-town team to win. I wager him one dollar that he will be wrong, and I ask you, Mr. Speaker, to book the bet.

Some hon. Members: Oh, oh!

* * *

PROVINCIAL AFFAIRS

STUDY OF UNION OF MARITIME PROVINCES—REQUEST FOR FEDERAL GOVERNMENT STATEMENT

Mr. David MacDonald (Egmont): I have a question for the Prime Minister, Mr. Speaker. Having regard to the fact that within half an hour the report on the study of maritime union will be tabled in Charlottetown in the presence of the three maritime premiers, would the Prime Minister or the Minister of Regional Economic Expansion make a statement later this day to the House on the basis that the federal government has participated in the preparation of this report and will of necessity have great responsibility with regard to its potential implications application?

Right Hon. P. E. Trudeau (Prime Minister): That would not be our intention. As the hon. member knows, the report is to the maritime governments. We shall expect them to study and analyse it and perhaps make their position known with regard to it. If the federal government is requested by them to assist in any way or to express its opinion in due course, we will certainly consider such a request favourably.

* * *

POWER

SKAGIT RIVER—POSSIBLE FLOODING OF VALLEY—DISCUSSIONS WITH UNITED STATES

Mr. Thomas S. Barnett (Comox-Alberni): My question is directed to the Minister of Energy, Mines and Resources. I wish to ask him whether, in the recent talks between Canada and the United States at the ministerial level, any discussion took place which might lead to the abandonment on the United States side of the proposal to flood the Skagit Valley in Canada for the purpose of power development? In any event, can the minister indicate what position the Canadian government is taking in the negotiations with the United States in line with questions asked by some of my hon. friends as reported in *Hansard* at page 1311, which might be directed to the minister now since he is in his place.

Hon. J. J. Greene (Minister of Energy, Mines and Resources): This matter was not an item on the agenda at the ministerial discussions. No application has been made to the federal government to date to the best of my knowledge by the Seattle Light Company for a permit under the International River Improvements Act, so there is nothing to report as far as my department is concerned.

* * *

TRADE

SUGGESTED VISIT TO CANADA OF REPRESENTATIVES OF CHINESE TOBACCO MONOPOLY

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. First of all, I should like to commend him on the efforts of his department in bringing the Japanese tobacco monopoly to Canada and showing them all the aspects of our industry. My question is: Will he make the same efforts in an endeavour to bring the Chinese tobacco monopoly to Canada? I ask this question because, prior to world war II—

Mr. Speaker: Order. The hon. member cannot explain why he asks the question; he can only ask the question.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I will certainly have this possibility explored, and if there are any sales to smoke out that will be done.

* * *

NATIONAL SECURITY

KIDNAPPING OF JAMES CROSS—NEW INITIATIVES TO OBTAIN RELEASE

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to direct a question to the Solicitor General. In light of the fact that the government has apparently taken the position that Mr. Cross is still alive, has the Solicitor General any new initiatives to report to the House with regard to efforts to obtain the safe release of Mr. Cross from his abductors?

Hon. G. J. McIlraith (Solicitor General): No, Mr. Speaker, I have no new initiatives to report to the House. I must say I am sensitive to the fact that it is impossible, when an investigation is under way, to keep the House advised from day to day as to just what steps are being taken. To do so would be to impede the work of the investigators. I am aware of that difficulty and I thank the House for showing its appreciation of that difficulty.

Right Hon. J. G. Diefenbaker (Prince Albert): A supplementary question, Mr. Speaker. With that observation of the hon. gentleman I am sure the House will be in agreement, but yesterday the minister of external affairs announced in London that as far as the government was concerned it still believed Mr. Cross was alive. Is that the view of the minister?

Canadian National Railways

Mr. McIlraith: I do not know, Mr. Speaker, that I should give my views on a matter of this kind. I have no reason to do other than to expect and to hope that he is alive, but I do not think my views are particularly relevant to this matter.

Mr. Speaker: The hon. member for Gander-Twillingate.

Mr. Lundrigan: Mr. Speaker, in the interest of cooperating with Your Honour, and in view of the fact we are now beyond the time allotted to the question period, I will wait until next week to raise my questions.

• (12:00 noon)

GOVERNMENT ORDERS

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, GUARANTEEING OF SECURITIES

Hon. E. J. Benson (Minister of Finance) moved that Bill C-186, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1970, to the 30th day of June 1971, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, financing and guarantee bills, including the present one, have been introduced annually, with the exception of the 1963 bill which covered 1962 and 1963, and the 1966 bill which covered 1965 and 1966. The present bill has seven main objectives, most of which had a similar form in previous legislation.

First, the bill would authorize capital expenditures by Canadian National Railways, not exceeding $229 million, during the 1970 calendar year. This level of expenditures compares with $201,700,000 authorized for 1969. The bill also contains technical provisions authorizing Canadian National Railways to make expenditures not exceeding $80 million between January 1 and July 1, 1971 for obligations incurred prior to January 1, 1971 and to enter into contracts before July 1, 1971 for capital expenditures not exceeding $163 million for which payment will not come due until after 1970.

Second, the bill contains a provision authorizing Canadian National Railways to borrow $12 million for financing all branch line construction. This amount includes the financing of branch lines in excess of 20 miles authorized by special statute as well as the financing of those lines under 20 miles which do not require special legislation. By covering all branch lines, the provision in the bill is consistent with the intent of reflecting in the financing and guarantee bill all the

financing authorities which Canadian National Railways require.

Third, the bill would provide for the continued purchase by the Minister of Finance of Canadian National Railways' 4 per cent preferred stock through to the end of the calendar year 1971. This continues the practice of previous financing and guarantee acts. The 1969 financing and guarantee act extended to December 31, 1970 the expiry date of the authority granted by Canadian National Railways Capital Revision Act of 1952 for the purchase of such stock equivalent to 3 per cent of the company's gross revenue.

Fourth, and for the same reasons, the bill would extend until the end of 1971 the moratorium on interest on the government loan of $100 million to the railway company authorized by the Capital Revision Act of 1952.

Fifth, as in previous years the bill would provide authority for the government to make temporary loans to Canadian National Railways and Air Canada to meet deficiencies in operating revenues up to June 30, 1971. Any such loan is repaid later from revenues of Canadian National Railways and Air Canada or, if these prove insufficient, the loans are cancelled through parliamentary appropriation.

Sixth, the bill contains an option similar to that contained in the 1969 Financing and Guarantee Act which would enable Air Canada to borrow $174 million prior to July 1, 1971 either directly from Her Majesty or by means of a guaranteed public issue. It also would provide authority for the Minister of Finance to guarantee debentures amounting to £13 million sterling to be issued in the period July 1, 1971 to December 31, 1974 by Air Canada in accordance with contractual obligations assumed by the airline prior to July 1, 1971.

Finally, the bill would provide for the appointment of the firm of Touche, Ross and Co. of the cities of Toronto and Montreal, chartered accountants, as auditors of Canadian National Railways for the calendar year 1971.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to make some comments on the bill under study. I will quote a few excerpts from the 1969 report of the Canadian National.

Bill C-186 is designed to grant funds to the CNR to provide for certain expenditures. The Bill is described as:

An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January, 1970, to the 30th day of June, 1971, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada.

Once more, we are being asked to vote substantial funds required for the operation of those Crown Corporations, Canadian National and Air Canada.

Out of this quite astronomical figure—$229 million—some $10 million are to be used for new branch lines. I was expecting the minister to go into more detail on the

new branch lines Canadian National Railways intend to build in 1971 or early in 1972.

Certain regions of the country are obviously rich in natural resources which could be developed but as they are increasingly remote from the United States border and larger centers, adequate transportation is necessary to bring them to consumer centres.

We heard a few days ago that the Minister of Energy, Mines and Resources (Mr. Greene) would be going to Japan to try to interest Japanese industrialists in our ore. We know most of those resources are located on the west coast of Canada.

There are, in New Quebec, many ore bodies of all kinds that are about to be developed. Big companies are starting to develop them.

There are vast iron bodies near Whale River, and further north, deposits of nickel, copper and asbestos.

On March 19, 1970, Mr. Jean-Paul Drolet, federal deputy minister of Energy, Mines and Resources said as follows:

The extreme north of New Quebec, according to surveys made in 1969, is said to hold, among other deposits, huge reserves of several million tons of rich copper-nickel ore and asbestos deposits estimated at a total value of at least one billion dollars. It will very likely become one of the most important mining areas in the province, the deputy minister pointed out.

• (12:10 p.m.)

Mr. Speaker, it is obvious that this is a small part of the natural resources which can be found in that huge territory of New Quebec.

Evidently those mentioned by the Deputy Minister of Energy, Mines and Ressources are rather remote, while others are much nearer and easier to develop. But we must find the necessary means to ship them to Hudson Bay and James Bay or to places such as Chibougamau or Matagami which have railways enabling them to ship their minerals southwards.

I think that the government should have undertaken the necessary studies for the construction of branch lines in order to ship those minerals to refining centres.

I expected the hon. Minister of Finance (Mr. Benson) to reveal government projects in that regard and I am sorry that he left the House.

The hon. Minister of Transport (Mr. Jamieson) is not in the House either at the moment to hear the speeches of hon. members, but I hope that at least he will take note of my remarks.

Mr. Speaker, the recommendation of His Excellency the Governor General regarding this bill, indicates the sums required for the administration of the Canadian National and Air Canada and specifies that if the need arises, the government will have access to supplementary funds to meet the deficits of both companies.

This led me to examine the 1969 report of the Canadian National.

The Canadian National debt is now about $1,898,801,-641. It is rather impressive for a Crown company. I admit that it must serve an immense territory—the whole of Canada—and maintain thousands of miles of tracks, the like of which is practically non existant in any other country.

Nevertheless, such a heavy debt for which exorbitant interests must be paid each year might only be attributed to the bad administration of public funds. For instance, we will have on January 16, 1971 to repay a $40 million loan on January 16, 1971 and in December 1971 another amount of $184,643,000.

In the bill under consideration we are being asked to vote moneys to meet such a debt. Where will the government take the necessary funds to provide them to the Canadian National?

It will have to resort to the sale of bonds on the public and American markets in order to meet its financial commitments.

It is like a gardener who wishes to fill a hole in his garden and digs another one to get the necessary earth.

So finally we end up facing another deficit. We are no better off. The situation as far as Canadian National Railways and Air Canada are concerned is exactly the same as that applying to the administration of the country.

When debts come due for reimbursement, we borrow. The situation worsens from year to year. I notice that the two payments Canadian National Railways will have to meet in 1971 cover loans obtained at interest rates of $2\frac{5}{8}$ per cent and $5\frac{1}{2}$ per cent respectively.

To be sure, any loans the Canadian government will have to contract this year or in 1971 will be granted at rates of interest much higher than those which applied 12 or 21 years ago.

The situation is not improving and the government has not done anything about it so far. The Ralliement creditiste offers a solution. It is asking the government to finance the public sector and to use the Bank of Canada for this purpose. As a matter of fact, many Crown corporations have to be financed in his way.

What has happened over the last 25 years? In looking at a table contained in the report for the year 1969, we find that during the last 25 years, the CNR has paid in interests $1,265,721,000, which is almost the amount of its debt.

It is obvious that this $1.25 billion went to someone, somewhere. It is also obvious that Canadian taxpayers, workers, CN employees have had to pay the interest charged by financiers. One can thus understand why I ask that the Bank of Canada should finance, without interest, these public expenditures.

Looking at the same table, it is to be noticed that for the year 1969, the profit of Canadian National Railways amounted to $49,500,000.

One cannot say that the managers or the employees of this company are no good administrators since they managed to make a profit of $49,500,000. It goes without saying that we have nothing to hold against the management of Canadian National Railways.

However, we also find that interest charges during the same year, 1969, reached $74,205,000.

This is where the administration is faulty. This means that a profit of $49,500,000 was transformed into a deficit of $24,500,000 due to the interest on the debt. So the CNR has a deficit of $24,500,000 and today we are asked to vote the necessary credits to cover that deficit.

Mr. Speaker, it is certain that the Canadian government is not getting ahead by administering the public sector in this fashion. I do not blame the administrators of these Crown Corporations, but the government because it failed in its management to make a profit, at least as far as the CNR is concerned.

Mr. Speaker, before concluding my remarks, I should like to point out that a $49.5 million profit would have enabled the Canadian National to improve its passenger services, for instance, or its freight services. It could also have provided from its revenue for the developments needed by its transport industry, either by building branch lines or by improving its various telecommunication and hotel services. It should have given its employees better working conditions, for there is considerable room for improvement in this field.

This could have been possible if the government had tried to manage the Canadian National wisely.

• (12:20 p.m.)

[*English*]

Mr. J. H. Horner (Crowfoot): Mr. Speaker, while the minister was making his brief opening remarks on the introduction of this bill I happened to be called away to the telephone and therefore did not hear all his remarks. This is an annual bill. In assessing the finances of the CNR and Air Canada one really should ask one's self, are these finances examined as carefully as they should be or is this just an annual bill which is given a brief examination? Who audits the accounts of the CNR and Air Canada? No doubt it is done by auditors hired by Air Canada and the CNR. Yet, when we are considering the duties of the Auditor General this is one issue which certainly should be considered. The duty of the Auditor General is to closely scrutinize government spending. I think when we see the deficit of the CNR and the deficit which Air Canada is building up, it is high time the Auditor General was given the duty of carefully examining the accounts of Crown corporations as well as the accounts of departments of government.

The CNR continues to build up deficits, and to spend more and more money on enlarging its facilities, while passenger and freight services are declining. At the same time Air Canada is buying airplanes perhaps even ahead of the game. The jumbo jets are to go into service in 1971 with Air Canada and they will be very difficult to fill on international flights or on long domestic flights within Canada. When one examines this particular financing bill, one notes that of an amount of $229 million, $174

million is to go to Air Canada for expenditures between now and July, 1971. In this regard one must examine what Air Canada is doing. It is the seventh largest airline in the world. We must ask ourselves how we, as Canadians, operating an airline are making out in respect of competition in international passenger service to and from Canada. I should like to read from the annual report of the Air Transportation Association of Canada:

> International traffic entering and leaving Canada showed an increase of 10.9 per cent in the number of passengers and a 28 per cent increase in the amount of freight carried. However, Canadian carriers handled only 46 per cent of the passenger and 45.4 per cent of the freight traffic as compared with 48 per cent and 49 per cent respectively the previous year.

In other words, we have a little less than 50 per cent of the passenger and freight traffic, and it is declining. Why is this? Since a similar bill was submitted to this House a year ago, some negotiations have taken place in respect of the allotment of landing rights of foreign competitors and Air Canada. Certain cities have not been satisfied with this allotment. Calgary has not been satisfied with the landing rights allotted to planes arriving at that city and Toronto is not satisfied with the situation in which it does not have direct overseas flights to and from that city. The province of Alberta has had a long standing complaint concerning air service in and out of the international airport at Edmonton.

This financing bill must be given a much closer scrutiny. Perennially the CNR has had a deficit because of interest rates and so on. So far as operating revenues and expenses are concerned, it has operated in the black in the past. It is predicted there will be in the future a growing number of years in which Air Canada will be in a deficit position. The bloom is off the flower in respect of air passenger service. Airlines throughout the world are running into greater difficulties because of the high cost of capitalization. Members of the Transportation Committee were fortunate to have an inaugural flight on a 747 aircraft. We were told it could operate with one-third capacity and pay its way. But has this plane really lived up to that expectation. Figures indicate that the 747 has been losing money. Air Canada has ordered four 747's.

• (12:30 p.m.)

I suppose that part of the capitalization will go to the repayment of loans which will allow Air Canada perhaps to make initial payments on some of these orders. What has the government done? What leadership and advice has the minister given with regard to the purchasing of these planes and with regard to the arrangement of more suitable landing rights in and out of Canada? If we are to increase rather than decrease our percentage of the air traffic in and out of Canada, then we have to pay a stricter attention to landing rights. If we are to at least attempt to operate the 747's in the spring of 1971 in a profit making manner, we have to pay greater attention to landing rights in and out of Canada so as to obtain a greater share of the passenger and freight haul in and out of this country.

I cannot help but repeat that a year ago Canada had 48 per cent of the passenger traffic in and out of Canada and 49 per cent of the freight traffic. This year we are down to 45.4 per cent of the passenger traffic, which is a decrease of just under 4 per cent, a huge figure. The passenger capacity has increased and the percentage of haul has decreased, this is a discouraging fact. I regret that the Minister of Transport (Mr. Jamieson) has not seen fit to spend more time in the House to listen to some of the criticism levelled at his department and at Air Canada. This is not done with any bitterness but in an attempt to communicate a sense of urgency with regard to making Air Canada a profitable business. We cannot continually run up deficits in the CNR and now start on a period of years in which deficits are projected for Air Canada as well. Airlines throughout the world are facing great difficulties and we must be on our toes to protect our interests in Canadian passenger and freight traffic as well as in the Canadian taxpayer's money.

There is some question as to whether Air Canada and CNR auditors are, in fact, objective in their reporting. They check over the books but do not make an actual check of the expenditures. We should give this financing bill a really careful scrutiny in the House because of that fact.

Another matter that has to be examined relates to freight rates and the Canadian Transportation Commission which was set up back in 1967. We all remember the long and extensive debate which took place at that time. The former minister of transport, having got the bill passed in the House, appointed himself chairman of the Canadian Transportation Commission. At that time, we were told that railroads should be freed from government control and that if this were done they could make money. Now, we see net losses continually. What have they done in an attempt to become profitable? I would like to put on the record some of the freight rate increases which have taken place since 1967.

The first increase took place on May 4, 1967. It was a 12 per cent increase in freight rates for short hauls and a 6 per cent increase in freight rates for long hauls. I might add that until the bill was passed the Freight Rates Reduction Act allotted a $20 million subsidy to the railways and froze the freight rates. After the bill was passed in 1967, freight rates were freed and the CNR said it could make its way and become profitable. We all know that if the price of commodities is increased too much, a point of no return is reached. I would not be surprised to learn that this is happening to CNR freight hauling. Another freight rate increase on competitive rates of 6 per cent for short hauls and 3 per cent for long hauls took place on September 5, 1967. On May 1, 1968 another increase took place which affected agreed charges. There were some exceptions but there was a 5 per cent increase for short hauls and a 3 per cent increase for long hauls.

On April 1, 1969, both with regard to competitive and general freight rates, there was an 8 per cent increase for short hauls and a 5 per cent increase for long hauls. There were certain exceptions and reductions were made

on traffic moving between east and west. A 6 per cent increase was put on traffic moving between the east and the west but the increase for long hauls was 5 per cent. A flat increase of 25 cents a ton was put on coke and coal at that time.

Then, along came a surcharge of 4 per cent on normal rates and a 2 per cent increase on competitive rates in September of 1969. This surcharge was put on top of the total freight cost. In other words, this was not a per ton mile rate but a 4 per cent increase and a 2 per cent increase on the total charge. This was re-enacted on January 22, 1969. Then, on March 1 of 1969 there was a general freight rate increase of 8 per cent for short hauls and 4 per cent for long hauls. A charge of 6 per cent on primary commodities was imposed, in other words on commodities shipped by the ton. The total ton rate was increased by 6 per cent on March 1, 1969. Another full freight increase of 25 cents per ton was imposed.

On September 1, 1970 there was another freight rate increase of 5 per cent for short hauls and 3 per cent for long hauls. Also at that time there was a 3 per cent across the board increase on freight rates on coke and coal. I could go on and on. There were some exceptions and some unit charges of a flat 5 per cent on the total freight bill. On agreed charges, since 1967 there has been an increase of 22 per cent. I am totalling three general freight rate increases in the past three years. This gives you some idea of the freight rate increases.

Why should we be concerned about freight rate increases? Freight rate costs are directly related to the cost of commodities used in Canada. We must always bear in mind that it is the cost of producing the goods and getting them to markets which the consumer has to pay, plus the cost of marketing the goods once they arrive at their destination. Freight rates have played a very important part in the composition of our economy. The Canadian Transportation Commission has not done a very good job in accurately scrutinizing these freight rates. In the old days before the famous Bill C-237 was passed by the House, railroads had to come before the board of transport commissioners to prove they needed a freight increase. Anybody who objected to the proposed increase could appear before the transport commissioners to state their reasons, and why it would be detrimental to one or another region in Canada.

• (12:40 p.m.)

The process of securing a rate increase has become so simple that all the railroads have to do is phone the CTC and say, "We are introducing an increase on such a day on agreed charges, on general rates, or on competitive rates." If a shipper wants to object he has to be a captive shipper under the terms of section 16 of Bill C-237. There are two cases I know of presently before the CTC under clause 16, and it will take at least a year for them to be fully heard and examined. This gives some idea of the difficulty in opposing freight rate increases. Bill C-237, passed in 1967, completely removed the court in which objection could be raised against freight rate increases, so the shipper can no longer be heard on freight rate increases.

We were told that the whole purpose of freight rate increases was to take the CNR out of its deficit position. However, we still see it running up the same deficits year by year. Its annual deficit has now become so commonplace that it is considered a normal deficit, even though there have been a host of freight rate increases in recent years.

I now wish to deal with the passenger service offered by railroads. We are told that passenger service is costing a huge amount of money and that the railroads are making every effort to get out of passenger service. They have been discontinuing lines. But, Mr. Speaker, that is nothing new. They have been discontinuing lines for years, and lately they have stepped up this process.

Again, under the terms of Bill C-237 setting up the CTC, all that Commission has to do is hold hearings in a given area. If it is shown that the passenger service is losing money, then the government has to decide whether to subsidize the railroad for 80 per cent of its losses or whether the passenger service is no longer necessary. As I have pointed out on many occasions in this House, such a system encourages the railroads to discontinue passenger service, to deliberately downgrade that service so that passengers will not ride the trains. As a result, the railroads can present a financial story to the Canadian Transportation Commission indicating that service is running in the red and thus be subsidized for 80 per cent of the losses they say they incur. This amounts to quite a tidy sum of money.

This is a poor system because it encourages the provision of poor passenger service by the CNR and by Canadian Pacific. I believe the system must be changed. The public are finally becoming concerned about pollution caused by automobile traffic. Railways can provide good, clean, fast courteous passenger service if they wish. They could recapture some of their lost passenger traffic if they were encouraged to do so. But instead of that we have a bonus system which encourages them to downgrade passenger service. Our policy should be the direct opposite. We should have a bonus system to encourage them to upgrade passenger service with modern passenger cars.

I now wish to deal with the question of air passenger safety, but I shall not speak about the recent tragedy at Toronto. On November 13, 1969, a similar financing bill was before this House. The Air Transport Association of Canada had previously held its annual general meeting and expressed dissatisfaction with the attitude shown by the Department of Transport toward the continuous violation of safety regulations. As recorded at page 804 of *Hansard* for that date, I quoted from a report in the *Globe and Mail* on what took place at that meeting, as follows:

> The membership was told at that meeting the transport committee's general orders were considered unenforceable by the Transport Commission because of a Supreme Court of Canada decision last year that ruled that the Air Transport Committee did not have the power under the Aeronautic Act to issue orders.

That was a very important statement at the 34th annual meeting of the Air Transport Association. In the 34th report, the chairman of the association also said:

I would be remiss if I did not record the disappointment and frustration of this industry resulting from the confusion existing regarding government policy. Not only has there been no implementation of previously enunciated policy governing the mainline and regional carriers, but no extension of policy governing other segments of the industry has been developed. Virtually all Canadian air carriers are suffering under a tremendous handicap in the development of plans, acquisition of new aircraft, and the continued operation of their companies on a profitable basis as action is delayed in providing effective air policy.

One would assume that much progress had taken place since then. However, the Minister of Transport seems to be very capable with words but not so capable with actions. I have before me the 36th annual report of the Air Transport Association of Canada for the year ending September 30, 1970, and on page 5 I read:

It seems probable that the ultimate step that must be taken is an appropriate amendment to the Aeronautics Act. In a recent letter to the Minister we have again asked for confirmation that the Canadian Transport Commission is responsible for enforcement of the Aeronautics Act and will take the necessary steps to enforce it. We are now awaiting the Minister's reply.

This matter, Mr. Speaker, has been under discussion for three years. Last year I quoted from the 1968 annual report of the Air Transport Association. Now, I have quoted from the 1970 report. I hope I will not be able to read something similar from the 1971 report. If an amendment to the Aeronautics Act is required, I hope that the minister will act.

Whenever one asks the Minister of Transport a question in this House one gets a great deal of verbiage in reply. That is not good enough. When one reads into the record statements which indicate a complete distrust of the Department of Transport by the Air Transport Association extending over three years, and sees that no action has been taken, one becomes concerned. "We will judge your verbiage by your action" is what one should say to the Minister of Transport, and if he were in the House I would gladly say it to him.

There is another matter I have not dealt with in this debate. Generally, the financial statements and annual reports of Air Canada and the CNR are brought before the Standing Committee on Transport. Last year there was a great deal of confusion in the operation of Air Canada and the jobs of a number of people were in jeopardy. We were anxious to get representatives of Air Canada before the transportation committee but for some reason or other we were not able to do that. Before this bill passes, I hope we can get an undertaking from the minister that they will be asked to appear before the committee this year and that last year's Air Canada report will get a high priority.

• (12:50 p.m.)

We see Air Canada getting into difficulty and showing deficits because of the decrease in their percentage of the traffic in both passengers and freight to and from Canada. There also seems to be a lack of clear understanding of the guidelines laid down with regard to the purchase of planes. I should like to see Canada take a leading position in the world by saying that we really do not need supersonic jets for passenger traffic. Personally, I do not think they will be needed for perhaps another 20 years. The jumbo jets are fine and will probably be around for a long time before we can fill them to more than 60 per cent of their passenger capacity on both international and long haul domestic flights.

These are some of the questions that face us. Do we believe that the benefits these supersonic jets will bring to the airlines will be more than offset by the harm they do in the area of pollution. There is also the difficult question of the cost they will add to the provision of airport facilities, et cetera. Just to move a 747 around an airport by tractor into a loading position costs $150,000. These tractors just pull the aircraft around and several are needed in each airport. One has to be available whenever a 747 is going to land. You can imagine how the costs build up with the various changes of planes from the stretched DC-8 or Lockheed 710 to the 747, so what will happen with the supersonic jet? The airports will necessarily be a long way from communities and thus increase the distance that passengers must travel to get to the airport. The Chairman of the Canadian Transport Commission has stated that it is not the difficulty of moving people in the air but the difficulty of moving people on the ground to and from airports that is causing the biggest bottleneck in the movement of passengers from one city to another.

Another question that has been bothering me for some time, Mr. Speaker, is the transportation committee's recommendation with regard to CNR pensions. We brought in a unanimous report which recommended certain changes in the Canadian National pension plan. These changes would have benefited many people receiving pensions today as well as others who will be retiring in the near future. Over 32,000 people in Canada today are receiving CNR pensions in one form or another. There has been a huge rise in the cost of living over the past five or six years but no comparable increase in CNR pensions. The committee unanimously agreed that an increase was necessary, particularly for those people on the $25 a month pension of earlier times. The number of people on that particular pension is very small and they are in dire need of an increase. However, Mr. Speaker, we have not heard a word from the minister on the committee's study. Is the government going to recommend to the CNR that it take action? Here we have the CNR asking for financial assistance for the construction of branch lines and so on, but there is no mention of action with regard to the Canadian National pension plan which was studied so exhaustively by the committee.

These are some of the questions that have been in my mind for a number of months with regard to our Department of Transport. It is regrettable that this debate should take place with only one minister in the House. The Minister of Transport is not here nor is his Parliamentary Secretary.

Some hon. Members: Shame.

Mr. Horner: In the light of the poor attendance of cabinet members, including the Minister of Transport, I should like this debate to continue for another day or two so that we can get answers to our questions and complaints with regard to the operation of the Department of Transport, the CNR and Air Canada. If we could carry on, we might be lucky enough to bombard the Minister of Transport for a minute or two while he happens to grace the House with his presence.

Mr. Knowles (Winnipeg North Centre): May I call it one o'clock, Mr. Speaker?

The Acting Speaker (Mr. Laniel): It being one o'clock, I do now leave the chair. The House will resume sitting at two o'clock p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as the Minister of Finance (Mr. Benson) pointed out, Bill C-186 is a routine piece of legislation. We have had bills like this one almost every year for quite a number of years, and there has been a tendency on our part to give these bills perfunctory treatment. Mind you, that attitude has changed in recent years. I suggest that on this occasion we, in this House, should take a good, hard look at what we are being asked for and a good, hard look at the position in which we are being placed.

We are being asked to approve a bill which authorizes the making, by Canadian National Railways and Air Canada its subsidiary, of very substantial loans. We are being asked to guarantee those loans and even to give the assurance that if there is a falling behind on the part of CNR or Air Canada, the loss will be made up out of the public treasury. It seems to me, Mr. Speaker, that because this is the position in which we are placed, we have both the right and the obligation, here in Parliament, to speak plainly to the Canadian National Railways. As I say, in former years there has been a tendency to regard bills of this kind as formal bills that are given routine treatment and passed. I think it would also be correct for me to say, almost by way of admission, that because we in this party favour public ownership, there has been a tendency on our part not to be unduly critical of the Canadian National Railways. Speaking for my colleagues, we think that we are coming to the end of that era. We are losing patience with some of the things that the CNR does and some of the things that the CNR has failed to do. We believe that the debate on the second reading of this bill is an occasion on which we ought to talk "turkey" to the Canadian National Railways.

I realize that it is frequently argued in this House that Crown corporations are independent bodies, and that once we have set them up we should not interfere in their day to day administration. That principle has been laid down with respect to Canadian National Railways, Air Canada, the Canadian Broadcasting Corporation, and so on. In general terms this is, I believe, a good principle. But there are times when the line between day to day administration and broad policy is a bit grey. I would still contend that we should not interfere with day to day administration, but when a Crown corporation such as the Canadian National does things which in terms of broad policy, in terms of principle, are offensive to the views of Parliament, then I think we ought to say so, and we who strongly support public ownership are prepared to say so to the CNR. A number of my hon. friends will be dealing with subjects to which reference has already been made in this debate, such as the abandonment of railway lines and the deterioration of railway services. This very bill asks for moneys with which to build more branch lines, yet at the same time we have a railway system which is abandoning many of the services it is supposed to provide.

• (2:10 p.m.)

I realize that when we talk about railway services in Canada we cannot think in terms of one line only. We are thinking today about the CNR because the bill before us concerns that company. Nevertheless, we shall be keeping in mind the policies pursued by the private company, the CPR. I realize it is not our prerogative in connection with this bill to talk about the Canadian Pacific Railway, but there is something I should like to say, something which I believe Your Honour will agree I have the right to say: I do not mind the CN claiming to be a body independent of Parliament as far as day to day administration is concerned, but when we get the notion that this so-called independence becomes almost a readiness to do whatever the CPR wishes, it is time for us to step in. If anybody is going to run the CN, let it be Parliament, not the CPR. I believe that in far too many areas the CNR does what the CPR does, and what the CPR wants it to do. Maybe there are times when it resists, but the resistance does not last very long, and for reasons of this kind I feel we should just speak plainly to the CN through the medium of this debate on the second reading of the bill before us.

I know it will be said by some of those who speak for the government—in this instance I mean cabinet ministers, because I believe the backbenchers on the Liberal side feel as we do about this—that we should allow the bill to go to committee where CN officials could be asked to appear and give an account of what they are doing. Well, we have been through that a number of times, but no matter what we may say to the CN, unless we get some backing from the government it does not amount to very much. This is why I believe that during the course of the debate it will be necessary to obtain certain commitments from the government to the effect that the government will back us up in the demands we make in Parliament upon the railway company.

As I have said, there are many questions to be discussed—the abandonment of rail lines on the one hand, and deteriorating services on the other. There is the

whole question of the poor, slowed-down railway express service we are getting these days. I realize we cannot expect to have all the things we enjoyed 10, 20 or 50 years ago but surely there is no reason in this day and age for a publicly-owned transportation company to be cutting down vital services in the transport and communications field.

There are also serious questions to be asked about the proposals of Air Canada in connection with purchase of huge new aircraft, the kind so large that Max Ferguson described one of them landing the other day somewhere between Toronto and Montreal; the passengers for Montreal got off at the front end, to find that the weather was cold, and snow was falling, while the passengers for Toronto got off at the back end, in bright, sunny weather. As I recall, he had to make a long distance call to talk to the stewardess to get her to make the appropriate announcement. Well, Max Ferguson has a way of getting the truth home to us in his humorous style and I think there is every reason to look carefully at the policy of going in for larger and larger aircraft. In particular, this development should be considered in the light of Parliament's concern about pollution; it is not enough for Air Canada simply to decide that it wants the largest and latest type of aircraft. These plans should be part of an over-all policy.

When this bill goes to the committee, as I hope it will after certain commitments have been made to us, the Canadian National and Air Canada will be required, through their officials appearing before the committee, to answer searching questions of the kind which have already been asked today and which will be added to in the course of the debate.

Last session, when a bill similar to this one was under discussion, we asked the leader of the House at that time, now the Minister of National Defence (Mr. Macdonald), for two commitments. I say to his credit, and it is always a pleasure to give credit to this minister when we can, that he met those two commitments. The first was that the question of the capital structure of the CN be referred to the committee on Transport and Communications for study. The second was that the question of Canadian National pensions be referred to that committee. As I say, those commitments were met and those two references were made. As hon. members are aware, the committee was not able to find the time to deal with the first of these references, at least, not in any depth, but spent most of its time on the pensions question. This means that the question of the capital structure of the CN is a left-over item and at some point in this session we want it to be referred again to the committee. Before the present debate is over we want a commitment from the government that such a reference will be made in order that the committee may continue its study of the capital structure of the CNR. I make the point that it is not necessary for this consideration to take place during the study of the particular bill before us, but it is necessary for us to obtain certain commitments before the occasion upon which we can do so has passed.

[Mr. Knowles (Winnipeg North Centre).]

• (2:20 p.m.)

Hon. members will not be surprised if what I have said up to this point is only preliminary to the main subject with which I wish to deal. This has to do with the question of Canadian National pensions, a matter which has been the subject of questions and discussions on the floor of this House for many years. From my own experience and knowledge, it goes back almost as long as the study of the pensions of retired civil servants. Indeed, the two matters have taken a parallel course and it has been said from one side, and admitted from the other, many times that the two issues more or less stand together. We recognized that we could not expect something to be done by a Crown corporation for its retired employees if something was not done by the government for its own retired employees. The other side of the coin is that we have reason to believe that if improvements were made in the pensions of retired public servants the same thing would have to be done, and would be done, for retired employees of the CNR.

As I say, the two questions have had a parallel history in this House. Every session's *Hansard* going back for a couple of decades or more contains questions and answers about the amount of pensions retired CNR workers are receiving, in addition to innumerable questions about when something was going to be done to correct the situation.

Finally, on December 19, 1969, almost one year ago, we had the welcome announcement by the President of the Treasury Board (Mr. Drury) that legislation would be brought in to improve the pensions of retired civil servants. Within a few weeks, that announcement was implemented and Bill C-194 of last session was passed before the end of March 1970. On the very day that announcement was made, December 19, 1969, I publicly urged that the companion operation, namely an increase in the amount of CNR pensions, be carried out without delay. This was one of those occasions when we were making statements on motions and there was no opportunity for a reply from across the floor of the House. But I am sure it is not out of line for me to say that two or three cabinet ministers told me personally that day not to worry, that of course something would be done for CNR pensions commensurate with what had been done for retired civil servants.

Fortified by that and by the fact that the present Minister of Transport (Mr. Jamieson) and those who preceded him over a number of years had assured me of their great interest in this matter, I continued to pursue it. I might point out that on September 24, 1968, the present Minister of Supply and Services (Mr. Richardson), who was then Minister without Portfolio, when speaking on behalf of the Canadian National Railways, as reported on page 441 of *Hansard* for that date said:

> It is my understanding that pensioners in this category and also the pensions of all retired employees have been reviewed frequently by officials of the railway. I can assure the hon. member for Winnipeg North Centre that the government will continue to consult with officials of the railways concerning the position of pensioners.

Though guarded, there nevertheless was the assurance that the government was interested in the position of retired employees of Canadian National Railways.

On June 19, 1969, as reported at page 10451 of *Hansard* for that date, the Minister of Transport was responding to a question of mine on the "late show" and was assuring me that something was going to be done for these retired employees. He referred, of course, to the fact that they also received the old age security pension; but if that is to be frozen and denied the escalation we have known for the past few years, then this makes the situation even more urgent. When the minister made a reference to the level of some of these pensions, *Hansard* records this interjection:

> Mr. Knowles (Winnipeg North Centre): It is still poverty.

Then, the minister continued immediately:

> I cannot agree more with the hon. member that it is far from adequate. But I am sure he also realizes that while this group has had a good deal of attention in terms of increases in the old age pension, we do wish to do more; and I believe that we will do more.

Those are the words of the Minister of Transport speaking about Canadian National pensions in June of 1969, six months before the government announced an increase in the pensions of retired civil servants. That announcement, as I say, was made in December and it was acted upon in March of this year.

In January of this year some of us started to prod the Minister of Transport to get this question referred to the appropriate committee. The Minister of Transport told me, as reported at page 2385 of *Hansard* for January 14, 1970, that he would be glad to see that this matter was referred to the House of Commons Standing Committee on Transport and Communications as well as to officials of the CNR. Nine days later, nothing having happened, I asked the President of the Treasury Board about the matter and he assured me that it was going to be dealt with very soon. And so it went on.

As a result of all this, this question on the commitment of the present Minister of National Defence (Mr. Macdonald), who was then government house leader, was referred to the Standing Committee on Transport and Communications, and in my view that committee did a thorough and excellent job. I think I am in a position to say that because, although I did not formally become a member of the committee, I took the privilege accorded to hon. members who do not belong to a committee and attended most of the sessions when the committee was dealing with the subject of Canadian National pensions. In particular, I attended very faithfully during the time when the committee was working out its report.

Hon. members are fully aware that when the committee made its report it went into this question very thoroughly. It gave the Canadian National Railways a clean bill of health in some respects. For example, there had been charges that perhaps the Canadian National was doing something with the pension funds that it should not be doing; it was cleared on that count. However, the committee said in the plainest of language that the time had come for crown corporations, particularly the Canadian National Railways, to do for their retired employees precisely what the Parliament of Canada had done for retired public servants.

That recommendation is spelt out in two paragraphs of the committee's report, one at the bottom of page 36:13 and one at the top of page 36:14 of the Minutes of the Committee for last session, No. 36. They read as follows:

> 4. At the outset, this Committee wishes to point out that the Canada Pension Plan and the Quebec Pension Plan adopted the principle of adjusting pensions for cost of living increases. Furthermore, a second important principle has been adopted whereby Parliament in the name of all Canadians applied the cost of living adjustment on a current basis, but more important, retroactively to all public service pensions.
>
> The Committee strongly recommends that these principles be adopted on a broader basis and that other major employers, including Crown Corporations, recognize their obligations to follow the lead of Parliament in this regard.

Then, this sentence, which is the key sentence of the whole report:

> The Committee specifically recommends that the Canadian National Railways implement these principles forthwith.

The position could not be clearer, Mr. Speaker. The Standing Committee on Transport and Communications recommended that the CNR do for its employees precisely what the government of Canada, through action in Parliament, has done for its retired public servants. This report was unanimously adopted by the committee on September 9, 1970. The report was tabled in the House of Commons on Monday, October 5, 1970. Two days later, on October 7, 1970, a motion which had been placed on the Order Paper in the proper way by the hon. member for London East (Mr. Turner), who was acting on that day for the chairman of the committee, the hon. member for Lasalle (Mr. Lessard), who happened to be absent, was unanimously adopted by this House. There was no debate and there was no dissension. In other words, the House of Commons unanimously, including all parties, including backbenchers and the government, said that they agreed with and supported this report which called upon the Canadian National Railways to implement forthwith the principle of pension increases that had been adopted in respect of retired public servants.

• (2:30 p.m.)

I will just take a brief moment to remind hon. members that what was done for retired public servants was in two parts. There was a retroactive provision that would pay increases up to about 42 per cent for people who had been out for 18 years or more, and there was a provision that from then on there would be an increase in pensions every year for retired public servants if the cost of living continued to rise. That is what was before us when we made this recommendation, and it is that which we are calling upon the Canadian National Railways to implement for its employees.

Hon. members were not surprised when a few days later some of us began asking questions. It was on Friday, October 9, 1970, as recorded in *Hansard* at page 20, that I reminded the Minister of Transport of this

recommendation and the fact that the House had approved of it. I asked him if he was taking the matter up with the Canadian National Railways, and the reply of the Minister of Transport was in these words:

Mr. Speaker, I will undertake to do that formally, but the slight tremor noted in Montreal on Tuesday seems to be pretty clear evidence that the CNR already knows of the action taken by this House.

Some days later, on Friday, October 23, as recorded in *Hansard* at page 514, I asked the minister again about this, but on that occasion he tried to slough me off with the suggestion that this was a matter to be taken up in the Standing Committee on Transport and Communications. We of this party will not stand for that kind of treatment. I think there are members of all parties, in fact I am sure there are members of the Liberal party, who will not stand for this sort of ploy.

An hon. Member: Who are they?

Mr. Knowles (Winnipeg North Centre): They will speak for themselves, I am sure of that. The government will find that there are Liberal members who feel as strongly about this as we do.

We have had officials from the CNR appear before the committee. We have gone through that routine, but since that point the committee has spoken and Parliament and this House of Commons have said, as we have said, we want action. For the Minister of Transport to act merely as a messenger boy to carry these recommendations from Parliament to the CNR and then simply say to us: Well, I have taken it up with the CNR but it does not want to act on this, is not good enough. To be told to let this bill pass second reading and go to the committee, there to be discussed with the CNR officials, is not satisfactory. They will come and tell us they cannot afford this. By the way, in our report we showed them how they could.

I am sure the officials of the CNR will come and tell us about some changes in the pension plan they are making of their own volition. They may tell us that their employees' associations have decided they want this matter to be the subject of collective bargaining and that we must not now discuss it. I do not accept that argument. The very fact that this is the kind of situation we would get into should indicate to the CNR that if it had any sense in this matter, it would act now. As a matter of fact in our report we have given the CNR a much happier solution to this problem than could be achieved by conflict, years of struggle, confrontation and collective bargaining. We in this House of Commons have the right to have this matter dealt with in this way.

On the two or three occasions we have raised this on the floor we have had a brush-off. We have been told we can deal with it in the committee. No, Mr. Speaker, that is not good enough and I am satisfied that it will not be good enough for members in any part of this House. What we need is a commitment now before this bill passes. We may be told that the officials of the CNR are not in this House and they cannot give a commitment. We do not want and we will not accept a government commitment that this will be discussed in the committee. The government can give us a commitment that it will tell the CNR it is expected to comply with the will of Parliament, and this is what we want.

I have gone along for many years with the suggestion that we must not interfere with the independence of the CNR. But I have said already that when the independence of the CNR becomes doing the will of the CPR, which does not want these things but wants the CNR to hold back, then if the CNR is not going to be independent it should at least do the will of Parliament. I contend that we have the right in Parliament to get a clear statement that the government will not just write letters to the CNR, not just provide a messenger service, but a commitment that the CNR will be told to accept the fact that Parliament has said to this company and that Parliament expects it to deal with this matter as it has recommended.

I remind the government that it is a party to this recommendation because it was passed unanimously by this House. The whole question of how the government will find the money is a problem which is, of course, beyond a private member's purview, except that we dealt with this in the report.

The point I want to make, and the point that makes this completely relevant to the debate, is that we are being asked right now to support a bill which provides money for the CNR. This bill provides money in several ways. It authorizes the CNR to make loans, guarantee those loans, guarantee other things, but if debts are not paid the idea is that Parliament will pick up the tab and pay them out of the general revenues of this country. If we are being asked to provide money in that way for the Canadian National Railways we have the absolute and moral right to say from the floor of this House of Commons that we want that company to do the right thing by its pensioners. What is the right thing is now quite clear. It must be nothing less than was done for the retired civil servants.

I am speaking not just for myself or my colleagues. I am speaking for every member of this House including every member of the Cabinet, because the motion for concurrence passed on October 7, 1970, was unanimous. That is the will of the House of Commons. The policy of the Canadian National Railways not to act on this issue is a case of affronting the will of Parliament itself. I think there will be an abundance of support on the part of members of all sides of this House for this position.

Therefore, to focus our attention on this phase of the matter I should like to move, seconded by the hon. member for Moose Jaw (Mr. Skoberg):

That Bill C-186 be not read a second time, but that it be resolved that in the opinion of this House no consideration should be given to the making of any further financial guarantees or grants to the Canadian National Railways until the government has assured parliament that it will call on the Canadian National Railways to implement forthwith the improvements in pension arrangements recommended in the Report of the Standing Committee on Transport and Communications, tabled in this

House on October 5, 1970, and concurred in by the House of Commons on October 7, 1970, the said concurrence having been unanimous.

I point out that this is what is known as a reasoned amendment under the provisions of citation 382 of Beauchesne's Fourth Edition. I also point out that it is both a reasoned and reasonable amendment in that it calls for the implementation of a policy already approved unanimously by this House of Commons.

The Acting Speaker (Mr. Laniel): Although the Chair does not wish at this time to pass judgment as to the receivability of this amendment it does feel that it should read it for the benefit of hon. members. If hon. members wish to comment on the substance of the reasoned amendment which is before the House the Chair will make a decision on it, but at this time the judgment is reserved.

• (2:40 p.m.)

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, for a member from the east coast of Canada, participating in this debate is like talking about a ghost from the past because I believe most people vividly remember the debate of two years ago concerning the abandonment of the only rail passenger service in the province of Newfoundland. I suppose one could say we lost the debate because we lost the passenger service.

I should like to make a few remarks today concerning another kind of abandonment. Despite the fact that the members of the cabinet of the front benches are not present to hear my argument, and despite the fact that the Minister of Transport (Mr. Jamieson), who I understand is either in Europe or returning from Europe, is not here, I want to say that the ears of the Canadian National Railways which are present in the gallery—all four of them—should pay very close attention to this debate and the remarks I want to make because I expect a full response from the Canadian National.

Newfoundland is a province with half a million people and it is recognized that transportation is one of our major problems. Transportation is a difficult problem because of the geography, the fact that the province covers an area of 150 thousand square miles, and because of the distance from the major markets of Canada and the other nations. The sad story of the past two years is that Canadian National Railway have used the province of Newfoundland as the guinea pig for the proposal to downgrade rail services in Canada. It was used as a guinea pig by the President of the Canadian Transport Commission to conduct an experiment. I understand that three years ago, when the CTC was instituted, its main purpose was to reduce the cost factor and make the system pay. Where else but in this province could such a program be instituted? In view of our small population, there was less likelihood of a major outcry from the public. This is what happened. The Canadian National moved out. We raised this issue in the House of Commons day after day, and every member from this province spoke on it. I can see present today a number of members who supported our efforts, but we did not receive any support from government members.

I do not believe the feeling in our party was exactly unanimous because some members thought there was a specific reason for the abandonment of rail passenger services on the east coast and that consequently such abandonment would have little effect on the rest of Canada. Today I noticed that the *Globe and Mail* contained an editorial on the abandonment of certain lines in Ontario. This is now a major issue. I see the hon. member for Madawaska-Victoria (Mr. Corbin) and I am pretty sure he will take part in this debate because I understand his riding will be affected. Many Ontario and western members will probably also take part in this debate because their controversy concerning the Canadian National in Canada has only begun. Unfortunately, we have lost the first round.

I had an opportunity recently to visit Bishop's Falls, one of the largest rail communities in my province. I spoke to a number of railway men in the last couple of weeks and have never seen the morale of any group take such a beating in such a short time as this group has. There is a tremendous uncertainty. They do not know where they are going. They do not have any assurance in respect of anything concerning their employment. The main reason for such uncertainty is that the Canadian National is moving in a most mysterious manner. There is a scheme on somebody's desk. I like to think that perhaps it is on the desk of the President of the Canadian Transport Commission. There is a planned phaseout of certain railway activities across this nation. This is not necessarily all wrong. I do not believe we can expect everything to remain the same for ever and ever amen. I believe there must be a fair amount of change, but I also firmly believe in the simple principle of management and administration of government that people must be informed of and involved in the decision making process. I make the charge now that the Canadian Transport Commission is hiding from the Canadian public its plan to downgrade rail service across Canada. There is a sneaking, conniving, surreptitious plan about which the public is uninformed. This is the reason for the uncertainty among railwaymen and the general public.

I shall draw attention to another plan. The Canadian Transport Commission has every intention not only to limit rail passenger service in Canada, as, has been proven in our province and in other areas, but—and I say this for Canadian National ears to hear—there is a plan to eliminate a good part of the freight distribution services in this nation. Last April I spoke to a good friend of mine in the Canadian National who is a very humane person and one who believes in trying to provide the best service to the people. He told me the Canadian National had on paper a plan to abandon all freight services east of Bishop's Falls in central Newfoundland. I remember thinking what approach one should take. I carefully analysed the plan. I was certain it was a fact that such a plan was on paper. I publicly exposed the plan and the Canadian National denied that there was any such plan. When the plan became public knowledge it was thrown in the wastepaper basket temporarily and that service

continues today. In other words, the public had been made aware of it in time so that the weight of public opinion could be brought to bear on the decision.

I understand that the same plan is to be resurrected again. The manager of the Canadian National in the province has been transferred to a place a good deal further west. A new manager has been brought in and he, I imagine, now is looking at the over-all plan for the province. I want the Canadian National to give me a full reply to this question. Are there plans to eliminate the freight service east of Bishop's Falls? If so, these plans must be made public. There must be full public comment on them and a decision reached on the basis of the total and complete interest of the people of the province.

Again a few years ago under a different manager the wood trains were eliminated. A tremendous amount of pulpwood was hauled to two of the largest mills in Canada. Also the ballast trains were eliminated. They were used to service the lines. All these trains have been amalgamated into the one service which includes freight, wood and ballast. Consequently, this is the only service we have left in the whole province. As a result, there has been a tremendous downgrading of the activities connected with keeping the roadbed in order. I raised the issue through the Order Paper a few weeks ago because I was amazed at the almost uniform decrease in the amount of money spent on maintaining the roadbed and the uniform increase in the number of derailments. I cannot quote the figures but they are on the public record.

• (2:50 p.m.)

I wonder why we cannot have wood trains and ballast trains as well as an improvement in the freight service? The fact is that all kinds of complaints are made in my province regarding freight being delivered damaged, being delivered days after it was supposed to arrive, or being lost. Generally speaking, we must have the worst railroad system in North America. I have read about railroads in India and I would say that in many ways our railroad does not even compare favourably with Indian railroads. The situation is that we have lost our rail passenger service and now there is a tremendous downgrading of the freight service in my province. If we do not get some action on this problem, years from now the same thing will happen in other provinces of Canada because we are being used as guinea pigs. Many Newfoundlanders are not aware of this. Our people are relatively quiet people. We do not have liberation fronts as in Quebec or anything of this nature. Consequently, it is sometimes difficult for us to get our points of view across to the Canadian people so that we all understand what the problem is.

The railroad still exists in Newfoundland but we do not have a service, nor do we have an efficient bus service. However, I will not elaborate on the bus service. Two of my colleagues are present in the House right now and are quite capable of describing the bus service in Newfoundland. It embarrasses me to see all the advertisements on television describing the beautiful dayliner services and the beautiful dome cars in which you can drink your glass of ale while the sunlight streams through the dome. We have 39 passenger buses. My colleague, the hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle), was saying that these 39 passenger buses have only one lavatory. If the CNR has its way in Newfoundland it is likely to advertise that it has 40 passenger buses. The situation is serious and critical.

I could recount stories that you would not believe about the way in which the public is being treated by the CNR. It is unbelievable. We are full-fledge Canadians, people who have the same rights as anyone in Toronto, Vancouver or Montreal, and we have been treated like cattle by the CNR bus service. Every single member of the House representing Newfoundland has received numerous representations regarding overcrowding, bad scheduling, and so on. I have heard stories of people being dropped off at junctions with not even a shelter. Sometimes there was not even a telephone to enable them to communicate with their communities. Passengers' baggage is sometimes undelivered and the passengers, after having found their way to their community, have had to go back to pick up their baggage.

I heard of the case of a group of students from one community travelling on a CN bus who arrived at a particular location only to find that their seats had been taken. These students were thrown off the bus, baggage and all. This was a group of young Newfoundland students travelling to a conference in Corner Brook. There have been occasions when people have gone to lunch during a stopover of 20 minutes or half an hour only to find later that their bus was gone. These incidents have been reported to me. On another occasion the bus was actually filled with other passengers and the passengers who had gone for lunch were left behind. There are all kinds of such stories.

It is unbelievable that the people of our province should have been treated the way they were by Canadian National. Why could we not have upgraded our roadbed and provided a dayliner system? We could have several small systems operating between Bishop's Falls and St. John's, Bishop's Falls and Corner Brook and Corner Brook and west of there. This could be arranged. I do not think cost would be a major factor. We are being asked to approve an expenditure of $229 million by Canadian National. Members just accept this as a routine matter. We might get a response. I do not doubt that a month from now I will have to raise a question of privilege to receive a response to my request for an investigation into the operations of Canadian National in my province. This will be par for the course.

I say that I want a full investigation into the freight situation in Newfoundland. Are we going to see the elimination of the rail service altogether? Was the elimination of the rail passenger service just one step? We were guinea pigs once, are we to be guinea pigs a second time? Will there be an elimination of freight rail service altogether in my province? Are we going to have separate wood trains and separate ballast trains so that we can get a decent freight service at least? What plans does the CNR have to ensure prompt and efficient delivery of undamaged goods? These are the questions which I want

to raise. What plans are there for an improved bus service which at present is totally inadequate? It is a disgrace to the Canadian public. Are there plans to replace it? I understand that the new manager is very sympathetic towards the proposal to eliminate the bus system altogether. Buses are overcrowded, uncomfortable and not properly maintained. They are cheap, inexpensive and dirty.

Do the CN people have plans to eliminate the bus service and to replace it with an efficient dayliner service? If they are not going to provide a dayliner service, will they provide a decent bus system across our province so that our public can travel in comfort? These are the questions I want to raise. I want to see a full and thorough investigation made into the situation at Bishop's Falls which is the big, central Newfoundland centre of rail activity. What plans do they have for providing branch systems, bus systems if necessary, down to Lewisporte and Twillingate Island where the system of transportation is inadequate? What plans do they have, for example, for freight distribution in central Newfoundland? Last year the matter of freight distribution was raised and I can tell a story on this.

I have had many discussions with the general manager of CN, Mr. MacMillan from Montreal. He is a very understanding person. I presented a case on behalf of the residents of Bishop's Falls. I told him that that community, which was the centre of rail activity in central Newfoundland, should be considered as the distribution centre for central Newfoundland because of the CN involvement over the years. I received a very sympathetic hearing. I presented the case on behalf of the people there, the town council, the chambers of commerce, the churches. Every individual in that part of the province presented his case to me and offered a suggestion for freight distribution. If there is going to be a centre of rail activity or freight distribution, Bishop's Falls is the logical place for it; it was the centre of railway activity down through the years.

• (3:00 p.m.)

We presented our case, and luckily for us we were told that the thing had not yet been finalized, but we understood that some moves had been made with respect to the purchase of property in another town. It is a disappointment that such moves have been made. As I say, the decision has not yet been finalized, but from remarks made in the community of Bishop's Falls we understand that plans have been very carefully and very subtly completed not to have the distribution of freight take place through the town of Bishop's Falls.

If this is a fact, it is a real tragedy because it has been a railway town since the beginning of rail service in that province. It had a population of approximately 5,000 at one time, almost totally dependent upon railways. It was hit a very critical economic blow by the abandonment of railway passenger service. Now, when it comes time for Canadian National to set up more modern types of equipment for the distribution of freight and goods through the province, that centre is not being considered. As I say, Mr. Speaker, it is a real tragedy.

I have talked with railway men there, and I have never seen their morale so low. I do not think Canadian National should be permitted by the government to carry on activity of this nature sneakily and surreptitiously, undermining our communities and making plans calculated to be carried out without full public involvement and awareness. This is a very serious situation.

Mr. Pepin: And a very serious statement, too.

Mr. Lundrigan: The minister says it is a very serious statement. Yes, Mr. Speaker, it has to be a serious statement when the situation is this serious. If all Canadians were of my mind, Canadian National would not get away with this kind of activity. If the government were interested in protecting the rights of citizens against Crown corporations which assume omnipotent power, the Canadian National would not get away with this.

The Canadian Transport Commission has assumed a role of total omnipotence. It seems that one dare not question the decision of the chairman of that commission. If one raises this matter with the Minister of Transport (Mr. Jamieson) he will say it is sub judice or will use some other legal jargon. What is the phrase that means the Canadian Transport Commission is omnipotent? In any event, Mr. Speaker, the Canadian Transport Commission has been given total power so that it may go ahead without the government having to assume the responsibility for the public outcry. The government shifted the responsibility, the commission assumed it and now the government says the commission can take the blame. In that way the Canadian government gets out from under; I think there is a legal term for that somewhere. As a matter of fact, Mr. Speaker, there are all kinds of terms for it.

Mr. Baldwin: Just bad government.

Mr. Lundrigan: I now wish to deal with the matter of air transport. Air Canada has been moving toward the introduction of a regional carrier system in Canada. Before I get into that point I want to say that this is in no way a criticism of the new air service that has been introduced in Atlantic Canada. Eastern Provincial Airways provides a system of air travel in Atlantic Canada. I have never heard one Canadian who has anything but praise for the passenger service it provides in Atlantic Canada. But now we have a move toward the integration of Air Canada and Eastern Provincial Airways into a regional carrier system in the Atlantic provinces. I say it is the responsibility of the Minister of Transport to stand up in his place in this House and tell in some detail what are the plans and implications of this system, so that we can get public reaction to it.

I know there are many Air Canada employees today who are uncertain of their future. Hon. members will remember the many people in Air Canada who woke up one morning a couple of months ago and found themselves without a job. Some of them were men with 20 and 25 years' service and experience. They did not know what was happening. They did not know because this

Crown corporation has designed its plans and had moved to implement them without public awareness and without public debate. This is causing a tremendous amount of job uncertainty. I am not saying that the move to bring in a regional carrier system is wrong. In many ways it is a great move, a tremendous move, but the people holding jobs must be informed and the public has to be made aware so that it will understand what is taking place. It is things like this which cause uncertainty among people.

Everybody with a grain of sense knows that if the morale of an organization is low, productivity will also be low. Hundreds of pieces of research have demonstrated this conclusively. That is what is happening in the CNR, and I am afraid the same attitude is permeating Air Canada. I do not wish to speak at this time about the air tragedy in Toronto. I have not received much response from the events of yesterday, including the release of the flight recorded conversations. This may well raise an issue later on.

In conclusion, Mr. Speaker, I do not want the remarks I have made today to be taken as just a few remarks in the House of Commons made only to hear myself talk. That is not my intention. The Minister of Transport is not in the chamber. All the big guns in the cabinet are not here, with the exception of the Minister of Industry, Trade and Commerce (Mr. Pepin) and the Minister of National Defence (Mr. Macdonald). I ask that they and the CN officials in the gallery take my questions to the general manager of CNR, and to the regional or district manager in the province, so that a full and total response may be made with respect to railway services in the province so far as freight is concerned, particularly eastbound freight out of Bishop's Falls, and new and better systems for wood hauling and ballast trains. We want further information on the bus and dayliner systems and on the whole question of transportation across the gulf between Newfoundland and the mainland, which service is seriously impeding the tourist trade in our province.

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, I wish to make just a brief interjection in this debate. I would not like it to be thought that all hon. members shared the view of the hon. member for Gander-Twillingate (Mr. Lundrigan) that the Canadian Transport Commission is acting in a sneaky manner in its attempts to evaluate rail service. The hon. member can correct me if I am wrong in the use of that word.

Mr. Lundrigan: On a point of order, Mr. Speaker, I would just like to say for the record that the hon. member has quoted me exactly and is right on target.

Mr. Anderson: That certainly takes care of any possible misunderstanding about what the hon. member said. I would like to indicate that the commission, in an area of the country that I come from, with respect to the Esquimalt-Nanaimo Railway, did carry out an extremely open and fair hearing into the conditions of passenger service between Esquimalt and points north on Vancouver Island. There was a tremendous opportunity for citizens to present briefs and participate in the hearing. The commission adopted a very openly critical policy, and indeed I might add that the hearings held on this tiny little railway, which carries about 30 people each way every day, were attended by about four times as many people as attended the House of Commons committee hearings held in Victoria to discuss the white paper on taxation.

• (3:10 p.m.)

My only reason for speaking in this debate is to indicate that I disagree with the hon. member with respect to the Canadian Transport Commission, which I feel is doing a very good job. In my area it made every effort to be fair and allow people to express their opinions on the question of discontinuing passenger service.

Mr. Lundrigan: Mr. Speaker, could I ask the hon. member a question? Firstly, was the railroad in question retained? Secondly, could the hon. member for one second stretch his imagination to the point of understanding that we lost a rail passenger system for 500,000 people in the whole province of Newfoundland? Can he understand—

Mr. Deputy Speaker: Order, please.

Mr. Lundrigan: Can he understand it for a moment?

Mr. Deputy Speaker: Order, please. If the hon. member wants to reply to the question, he may do so.

Mr. Anderson: Mr. Speaker, it is probably easier for me to reply to the first question than the second. The rail service in this instance was retained. The commission pointed out that the CPR was acting in a deplorable manner in attempting to allow the rolling-stock to be run down. The CPR has one passenger train each way every day which managed to miss one of the CPR's own ships by 12 minutes. The commission was extremely critical of Canadian Pacific.

As far as Newfoundland is concerned and whether I can stretch my mind to understand the situation there, obviously it is difficult for anyone not from that province to understand everything about it. But I would not like the impression left with this House and with those who read *Hansard* that the Canadian Transport Commission, as far as the rest of us are concerned, is a body which is sneaky or underhanded. I think that is a most unfair criticism of people who are not here to defend themselves.

Mr. Lundrigan: I rise on a point of order, Mr. Speaker. With reference to the remarks of the hon. gentleman from the west coast of Canada, an area which I have had the opportunity of visiting and for which I developed a tremendous admiration whilst over there last year. I am sure that in the interest of his province, to which many of my Newfoundland colleagues have gone to make a

living and whose people are reasonable and rational, he would want to withdraw his disparaging remarks about Newfoundland and leave on the record something in little better taste—

Mr. Deputy Speaker: Order.

Mr. Lundrigan: If that comment is not in order—

Mr. Deputy Speaker: Order. The hon. member knows that the rules of the House apply to him as well as to other hon. members. With respect, I think there is no point of order.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to contribute to the debate on Bill C-186 which, in my view, is of considerable import since it aims at allotting several hundreds of millions of dollars to the upgrading of railway services across Canada.

The recommendation contains something which is quite fantastic, and I quote:

> —to authorize Her Majesty to make loans to the Canadian National Railway Company and Air Canada to meet deficiencies in operating revenues to June 30, 1971, any such loans to be repaid from revenues of the railway company and Air Canada or, if revenues prove insufficient, by subsequent deficit appropriation by Parliament.

It is quite fantastic that a Crown corporation can table on a new appropriation should its operating revenue show a deficit. Furthermore, when considering reports submitted by Canadian National Railways, it appears at first glance that this deficit recurs almost every year.

I think the hon. member for Abitibi (Mr. Laprise) pointed out in his speech that every year, and last year particularly, CNR operations showed a profit, taking into account the interest paid.

Now a bill is placed before the House in order to authorize capital expenditures for the year 1970 of about $229 million and of about $80 million for the year 1971. With regard to the purchase of equipment a vote for $163 million for the year 1971 is requested.

Towards the end of the bill, there is a provision aimed at avoiding deficits, if possible. In fact, it reads as follows:

> Where, at any time before the 1st day of July, 1971, the available revenues of the National System are not sufficient to pay all the operating and income charges of the National System as and when due, the Minister of Finance, upon application by the National Company approved by the Minister of Transport, may, with the approval of the Governor in Council, place at the disposal of the National Company such amounts as may be required to enable the National Company to meet all such charges.

It is the duty of hon. members to take all necessary means so that as much light as possible can be shed on CNR operations, services and plans for improvement to make sure that appropriations granted by Parliament will be really used in the interest of the Canadian people.

Earlier an NDP member presented a motion for the discussion of the case of the CNR pensioners. I remember that I raised the matter in February last and I even called the attention of the Minister of Transport (Mr. Jamieson) to this extremely important problem. He made me that promise in a formal reply in Parliament and in a letter dated February 16 in which he told me:

> This matter is now under consideration and your comments in that respect of which I have taken due note, will be brought to the attention of those concerned.

I do hope that after more than six months, those people have given serious consideration to the problem of the CNR pensioners so that the pension plan can be improved and the pensioners, who have done a lot for their country, can be happier.

On December 31, 1968, the pension fund in trust according to the financial statement amounted to $1,414,-744,356. I believe that it would no doubt be possible to review such funds and the freezing of pensions in order to grant equitable payments to retired railwaymen. The increased cost of living should be taken into account so that they also can derive benefit from their pensions and enjoy a decent living.

No doubt the request for funds is justified but I should like to obtain satisfactory replies establishing that such appropriations are really needed.

In my constituency they intend to close many railway stations. The CNR authorities called a meeting in Armagh, in Bellechasse County, on June 22, 1970, to inform people about the proposed changes. They call it a service centre meeting.

The CN authorities provided detailed reasons justifying the proposed changes and the closing of the stations. However, something astonished me: even though they had invited the mayors and representatives of the various municipalities, they had forgotten to invite me. Possibly the postal service was responsible for the blunder.

I made an official remark on the matter at the meeting and one of the CN representatives assured me that he had sent an invitation to the hon. member for Bellechasse. I learned that the meeting would be held through a telegram addressed to me by the secretary of the municipality of Saint-Damien, municipality where there is a very important railway station and which takes strong exception to the closing of that station.

I attended the meeting, which was very interesting, and I learned there about the C.N.R.'s plans to relocate stations and change the present services.

In spite of that, I received numerous protests from the municipalities along the railway line. I naturally forwarded them to the responsible minister in order that he may peruse them and consider the situation more carefully.

It is sometimes said that railway stations are closed precisely because their operations show a deficit.

Mr. Speaker, I would like to intervene more particularly in connection with the Saint-Damien station in Bellechasse constituency. The figures show that the operations of that station are not showing a deficit. Indeed operations are increasing sensibly, since in 1968, the turnover

was $15,000, in 1969, it was $18,000 and from January 1st to June 30, 1970, it was $21,600. That surely warrants a more elaborate study of the situation in order to meet the needs of Saint-Damien and of the neighbouring municipalities.

There is in fact, in Saint-Damien, a very important and growing plastic products industry which is developing at a tremendous rate and which requires improved public services if we want them to be able to meet more adequately the needs and the expansion of this industry and of other industries which could locate there. Therefore, I would like these recommendations to be considered before decisions are made which might be detrimental to the industrial development of this region, because we are far from having reached the degree of development of large centres. We want the industrial development to be even quicker in order to find a substitute for agricultural production which is deteriorating at a fast pace because the policy of the government does not match the needs of these small farms in the area.

Mr. Speaker, I would also ask that the necessary repairs be made to the Saint-Malachie station which has operated for years and which is left to deteriorate. This makes a poor impression on passers-by. That station has a certain importance since the Transport Commission found, only a year and a half ago, that it was worthwhile to keep it operative. Such improvements would help the station make a better impression on passers-by, especially on American tourists. I wish to draw the attention of the Minister of Transport to the passenger train service between Quebec City and Ottawa.

From Quebec City to Ottawa, the morning service is adequate and satisfactory. However, from Ottawa to Quebec City, service is not as good ever since a certain number of trains between Montreal and Ottawa have been removed. Hence, let me tell you that I have received numerous complaints in this respect. Petitions were drawn, and handed to me for submission to the authorities concerned. Unfortunately, things have not yet changed for the better.

If actually we have to justify this request for appropriations, my thinking is that we should by the very same token insist on having improved services and thus be in a position to tell the people that Parliament has voted millions of dollars for improving the service, for bringing facilities up-to-date and for promoting the overall development of our country.

• (3:20 p.m.)

[*English*]

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, I shall keep my remarks brief because I know other members wish to speak in this debate. I wish to register my feelings about the CNR and Air Canada generally and, specifically, about the conduct of the CNR and their relationship with its older pensioners. This matter was alluded to this afternoon when the amendment was introduced.

First, may I on behalf of my colleague say that in many circumstances, when someone says that something is impossible to understand, that remark may be taken as a great compliment. I think that a full-blooded member coming from a full-bodied and exciting piece of country such as the province of Newfoundland ought to take it as a compliment when someone intimates that he cannot understand something, in much the same way as when we say of a woman, "My God, you are impossible to understand"—we mean that she is mysterious, intriguing and desirable. I am sure that is what the hon. member from the other intriguing island on the other side of the continent meant when he was discussing Newfoundland. However, we will leave it at that for the moment.

Mr. Lundrigan: On a point of order, Mr. Speaker, I accept, through you, the apology that the hon. member has given on behalf of his colleague. I am afraid, Mr. Speaker—

Mr. Anderson: I rise on a point of personal privilege, Mr. Speaker.

Mr. Deputy Speaker: Is the hon. member rising on a question of privilege?

Mr. Anderson: Yes, Mr. Speaker. It is with great regret that I interrupt my hon. friend from Newfoundland. I did not dream anything derogatory about the province of Newfoundland, and if the hon. member were to examine his own remarks I think he would find that I more or less quoted them back to him. I was attempting to point out that perhaps there is one subject about which Newfoundlanders know more than those coming from the west coast of Canada. I think that if the hon. member examines *Hansard* he will realize that his criticism was a trifle unwarranted.

Mr. Lundrigan: Mr. Speaker—

Mr. Deputy Speaker: Order, please. Would the hon. member please resume his seat. It seems to me that the hon. member for Gander-Twillingate (Mr. Lundrigan) and the hon. member for Esquimalt-Sannich (Mr. Anderson) have made their speeches. This has been an interesting interchange, but I think the House might benefit from hearing the hon. member for Winnipeg South Centre (Mr. Osler).

Mr. Osler: Mr. Speaker, I should like to share your confidence and I hope the House will benefit from hearing the member for Winnipeg South Centre. Winnipeg is a place to which much freight is carried, where much freight is stored and from which must freight is moved. I am glad to learn that we have not forgotten that freight moves to Winnipeg from various directions. To a large extent rail is the industry that brings us our living, and that is how our association with the CNR becomes relevant. We have large yards in our city and a great many people are employed in those yards. Many are employed in looking after rolling-stock.

• (3:30 p.m.)

I am not one who believes in any way that a parliamentarian has even the right to suggest that a politi-

cian has the right to interfere with the day-to-day running of a Crown corporation. I am consistent in every way, even when it hurts, and sometimes when a Crown corporation embarrasses us. But I believe that whenever a Crown corporation comes to Parliament with its hat in hand for funds, a legitimate opportunity is provided to consider whether or not we should agree to vote hundreds of millions either in straight money or in loans to enable the corporation to carry on its business. We have a legitimate right to review the general functions of the Crown corporation concerned and to question its attitudes in relation to the attitudes we believe it would be appropriate for it to have.

I am beginning, reluctantly, to forgive Air Canada for the treatment it accorded my own city for a number of years, but this was an example of sneaky callousness in disregard of the wishes of Parliament. The treatment of pensioners is another example of sneaky callousness. Views on this have been expressed by Members of Parliament elected from a considerably more representative set of areas than, I suggest, the directors of Canadian National. Hon. members have said very forcibly that they do not approve the present treatment of some of these pensioners, and have recommended that the railway do something about it. Nevertheless, the company has failed to do anything about this issue. I see nothing wrong in saying that the CNR had better pull up its socks if it expects us to vote hundreds of millions of dollars in order that it may carry on its operations. If the company cannot look after its own people properly, then maybe it should not have $229 million to play with for capital investment to the end of this year or another $80 million to play with in the first six months of next year.

Air Canada, a subsidiary of Canadian National, wants £13 million for engines—I presume it is engines—or equipment of that sort. We do not know whether they have any competence to choose the right type of engines if they have no competence to deal properly with their own people. I am talking about Air Canada as a branch of Canadian National. The CNR has been cavalier in its lack of concern. This is a symptom of many of the troubles which beset us—this bigness which is exemplified by the CN. It is not really important whether a big concern is owned privately or publicly; it is just as frustrating when it is publicly-owned as when it is privately-owned. It is a case of bigness making people impervious to the feelings of the community.

If we are trying to move toward institutions which are less impervious to the wishes of people, one of the opportunities available to us is the occasion on which, once a year, these institutions come to Parliament for money. Now is the time to underline the fact that we are not pleased with the way in which the company is dealing with its pensioners, just as I hope that before very long we shall meet our own responsibilities to pensioners who are more directly the responsibility of this Parliament. I therefore commend to the House the amendment which has been placed before it.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, in making my annual contribution on the CNR bill which authorizes the spending of vast sums of money under Bill C-186, I cannot help being reminded of the indiscriminate manner in which the Canadian Transport Commission discontinued rail passenger service in my own province. The events which followed make me shudder, particularly the way in which the interests of the people who required the service, and still require it, were completely disregarded.

These feelings, which are shared by my hon. friends from Newfoundland, is emphasized when I read the reams of paper which are produced, describing in flowery words the objectives of the department. These, at any rate, keep coming full steam ahead—operational objectives, regulatory objectives, development objectives. But the one which strikes hardest home is the sentence about regulatory objectives, which reads as follows:

> To balance economic, technical and social consequences resulting from changes in capability or use of transportation services and ensure that socially and economically viable standards of way, vehicle, terminal and operator performance are established and adequately maintained.

Well! The economic justification for discontinuing rail passenger service was that it cost $900,000 a year, which was supposed to be too expensive. Yet a very short time after the company "blew the whistle", the Canadian Transport Commission issued an order under date of September 23, 1969, specifying a minimum frequency of passenger services. With one quick sweep that must have been waiting to be read as soon as Newfoundland passenger service got the axe, the Transport Commission recommended the lifting of a restraint which for a decade had prevented the railway company implementing any reduction in services on which they had been losing money, thus enabling the commission to order a passenger service to be continued even if it was losing money, in return for a subsidy amounting to 80 per cent of the loss.

It is worth while mentioning that a replacement bus service was initiated—without much planning, it appears to me. I may be wrong, Mr. Speaker, but I believe this was the first time the CNR had gone into the bus business to any extent. I can tell everyone in this House that all their development experts notwithstanding, the company should not be too proud of the job it is doing in response to the ministry objective of meeting public need where it existed, and certainly not to the regulatory objective of ensuring that "socially and economically viable standards of way, vehicle, terminal and operator performance are established and maintained".

How any organization as big as the CNR could institute a bus service with so little thought to the service they were obliged to provide, is beyond all my powers of imagination, bearing in mind their supposed capacity for research into marketing, industrial development, and so on. In introducing a bus service to the people of Newfoundland, they took the attitude: Here it is; use it. If you don't like it, you can lump it. These words have come to the fore in utterances on some issues recently by persons in high places.

This bus service was put into operation without any regard for the people it was to serve. The company

publishes statistics in the newspapers almost every day showing how many more people are using the buses. But after a year it does not even have bus shelters available for use by passengers. Adults and children alike are forced to stand for hours on main highways, regardless of weather conditions, waiting for buses which arrive at times determined by the condition of the road or the readiness of employees. Some of these people are sick, but no thought was given to proper comfort when the experts planned the service to replace what they called a nonpaying passenger service.

• (3:40 p.m.)

They brag about the time of the cross-province trip of 14 hours and some minutes, but there is not too much said about the lack of comfort, proper reservation systems, connecting services or many of the basic services which should be provided. There is also no consideration given to small bus companies which have provided a service for years and are now at the mercy of the CNR in regard to monopoly of service. While I realize that problems exist, I hope that the experts will pay a little more attention to studying and implementing a better service in regard to which the CNR have a monopoly in Newfoundland.

I would also like to mention the difficulty I have in understanding what happens to all these studies, particularly the study made of the problems of the CNR coastal service between the province of Newfoundland and Labrador. Hon. members raise these problems, a study is promised and that is the last we hear about it. I hope that whoever is responsible will produce the report in regard to the inferior service of the St. Barbe-Blanc Sablon ferry service and carry out the necessary action to overcome the dangerous transportation conditions which prevail between these two points before something serious happens. I am very disappointed in the lack of protection of seniority and job security promised to railway employees when the service changed. Many infractions have occurred in my district and no objections are raised, because employees fear losing their jobs altogether.

My colleague the hon. member for Gander-Twillingate (Mr. Lundrigan) emphasized very forcibly the downgrading of our rail lines, rail express and freight service. I understand from section men on Newfoundland rail lines that section orders are issued every day to downgrade speeds at road intersections. This is because there are not enough men to maintain these lines. We were promised that this sort of thing would not happen when rail passenger service in the province was cut. Therefore, how can we rely on statements about improvements being initiated when, instead, the service is downgraded?

I should also like to mention the uncertainty existing about the provision of air service to the west coast of Newfoundland. Again, all kinds of studies have been made in this connection but people are kept in the dark as to future intentions. In this regard I think there should be some dialogue with the people who are directly affected. Perhaps Information Canada will be able to lessen the concern of these people and say once and for all what is going to happen under regional air policy plans. I hope the minister will accept the many invitations he has received to visit the province and to state once and for all what the future holds for provincial air services in the province. I also hope that the officials of CNR will heed the words of my colleague from Gander-Twillingate and will give some assurance that the transportation problems in Newfoundland will be dealt with.

In conclusion, I wholeheartedly support the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles), which states that, in the opinion of this House, no consideration should be given to the making of any further financial guarantees or grants to the CNR until improvements in pension arrangements recommended in the report of the Standing Committee on Transport and Communications are made.

Mr. Speaker: Before I call on the hon. member for Regina-Lake Centre (Mr. Benjamin), perhaps I should at this point refer to the proposed amendment suggested to the House earlier this afternoon by the hon member for Winnipeg North Centre (Mr. Knowles). The amendment was not put to the House because the Acting Speaker had serious reservations about the procedural aspect of the amendment.

In the meantime, while hon. members were diligently occupied in considering and debating this bill, I too was diligently occupied in trying to make up my mind whether or not this amendment should be received. Having looked at the authorities and precedents I would be pleased to hear from the hon. member for Winnipeg North Centre if he is prepared to indicate to the Chair why in his opinion the amendment ought to be received.

I am sure the hon. member, who has long experience in procedural matters, knows how difficult it is to introduce an amendment that is, in essence, a reasoned amendment. My impression is that this is not quite a reasoned amendment but it is a proposal which is substantially beyond the scope of the bill. This would be my thought. Even after looking into the precedents and citations I am tempted to reach that conclusion, but I would not want to do so until I had heard from the hon. member for Winnipeg North Centre.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I hope you will not think I am making a professional effort if I try to protect you from temptation! It was my understanding that this procedural issue might not be dealt with until Monday, so I have not been doing any immediate homework on the issue. However, as Your Honour has said, this is a subject on which some of us have done some debating over a number of years.

Reasoned amendments have been in various forms. I dare to hope that Your Honour has no question about the form of this reasoned amendment. As a matter of fact, it goes back to what was the form for quite a few years, namely to the use of the words, "That the bill be not now read a second time but that it be resolved that"—some-

thing or other. I think this is preferable to amendments that have used the language, "That this House declines to proceed with the bill". Nevertheless, Your Honour has not raised the question of the form but rather of the substance. The principal citation on which I rely is citation 382 in Beauchesne's Fourth Edition, which reads as follows:

> It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill, or expressing opinions as to any circumstances connected with its introduction, or prosecution; or otherwise opposed to its progress—

There is a little more to the citation, but I think it is not unfair to stop there for present purposes. I may say there is also another citation somewhere, as well as rulings, to the effect that one cannot have it both ways in a motion of this kind. In other words, such an amendment cannot be both for and against second reading at one and the same time. If one is going to move a reasoned amendment on second reading, it has to be one that calls for opposition to the bill as it is presented to the House. That is precisely the position I have taken in my amendment, namely, that unless we can get a declaration such as that suggested in the amendment we should not proceed with Bill C-186 in its present form.

Let me now pick out the qualifications or conditions that are stipulated in citation 382. It says that such an amendment must imply not agreeing to the second reading of a bill. My amendment certainly takes that position. Then it says that the resolution may declare some principle that is—

> —adverse to, or differing from, the principles, policy, or provision of the bill, or expressing opinions as to any circumstances connected with its introduction, or prosecution; or otherwise opposed to its progress—

• (3:50 p.m.)

This is precisely my argument. Because of this situation, namely, that we are being asked to grant money to the CNR at a time when the CNR has done nothing about the request of this House in the field of pensions, we are taking the view that we should not proceed further and that we should not agree to further progress on this bill.

It may be suggested to me that there is some problem about the dollar angle, but I would argue that the question which applies is, after all, that the amendment calls upon the government to assure the House that it will call upon the CNR to implement a certain recommendation and it is not an amendment which in itself proposes the expenditure of money. As a matter of fact, even the report of the Standing Committee on Transport and Communications which this House endorsed on October 7 does not involve the payment of additional money out of the federal treasury. That report showed the CNR how it could do it out of its own resources. So there is no liability against this amendment in terms of a private member not having the right to move things involving the expenditure of money. It does not do that; it calls upon the government to do it. Your Honour might ask whether there is relevance to the terms of the bill. I suggest there are many reasoned amendments which have relied upon citation 382, which have given the reasons why a mover of an amendment felt that we should not proceed with a certain bill.

As I said in my remarks just before I moved this amendment, there is a very close relationship between the CNR asking us for money, pleading its poverty, but refusing to agree to a request we have already made regarding the pensions of its employees. The money that is involved in this bill is money that goes into the coffers of the CNR generally. The whole question of the CNR administration of its affairs is also involved. I would say what the CNR does as far as finances are concerned is included therein. I submit it is a reasoned amendment in that it does couple opposition to the bill with the declaration of reasons why we think the bill should not be proceeded with further and because in its present form it does not contravene any of the inhibitions imposed upon private members.

Therefore, I hope I have managed to entice Your Honour away from your temptation to feel that this motion might in some inconceivable way be out of order. I submit that the House of Commons having passed a motion on the question of CNR pensions and now having before it a bill dealing with CNR financing, a private member has the right to move such an amendment. I hope Your Honour will consider it favourably.

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, perhaps I could add to the citation referred to by the hon. member for Winnipeg North Centre (Mr. Knowles) citations 388 and 393 (1) of Beauchesne's Fourth Edition. The basic principle on which I would argue is that while the hon. member has been artful in his presentation of this amendment, he has put himself in an illogical position. He is saying that the CNR should pay out more money for the benefit of its pensioners, but at the same time seems to imply that the CNR should have no more money. If he is suggesting that the CNR should not have any more money, he is in difficulty in saying that the CNR should carry out his request. Therefore, I suggest what he is really doing is putting on the record a statement along the lines of that referred to in citation 393 (1) which reads as follows:

> An amendment purporting to approve the principle of a bill and at the same time enunciating a declaration of policy cannot be moved to the second reading. It must oppose the principle of the bill.

What the hon. member is doing, in fact, is asking the House to make a declaration on a question that can only be effective and have meaning if the principle of the bill is not given effect to, that is, if passage of the bill is refused, thereby leaving the CNR impecunious. This, of course, would defeat not only the objective of the CNR but the objective of the hon. member.

Therefore, I suggest that while he has very skilfully attempted to bring his amendment within the wording of citation 382 of Beauchesne, what he is really doing is not opposing the carrying on of the business of the CNR but asking that the CNR carry on its business and carry it on

in line with a certain declaration of principle by this House. I suggest that the precedent already referred to would, therefore, make this amendment inadmissible.

Mr. Speaker: I thank the Minister of National Defence (Mr. Macdonald) and the hon. member for Winnipeg North Centre (Mr. Knowles) for their very learned advice. As I indicated in the House earlier this afternoon, I have given serious thought to the matter. I do not believe the amendment should be opposed from a procedural point of view only for the pleasure of opposing such an amendment and complicating the work of the House. I believe we should be very careful of the type of amendment which we allow either on second or third reading, especially when we are dealing with a so-called reasoned amendment. The question is whether we have before us what could properly be defined as a reasoned amendment. This is the source of my difficulty.

The hon. member for Winnipeg North Centre has referred to the form of the amendment he has proposed, and I see no difficulty in this regard. Certainly the form which he has used is preferable to the form which is sometimes accepted by the Chair. I would hope that this form might be followed as closely as possible.

In respect of a reasoned amendment in the form proposed by the hon. member for Winnipeg North Centre, it is suggested that it opposes the progress of the bill. I am in agreement with that. This is one of the tests proposed in citation 382 upon which the hon. member for Winnipeg North Centre rests his case. He has met that condition. There are other tests, one of which was mentioned by the Minister of National Defence. It is referred to in citation 393(1) and is to the effect that the amendment should oppose the principle of the bill. I doubt whether the hon. member intended to oppose the principle of the bill and I am not sure whether his amendment does so. In any event, this is an important consideration.

There is another point of view or approach which is perhaps even more important than the one mentioned in support of his case by the hon. member who proposed the amendment, or the Minister of National Defence in opposition to the amendment. I refer to the question of relevancy. This is a basic condition that must be met. An amendment must be within the four corners of a bill and must be relevant to the bill. When I say an amendment is irrelevant to a bill, I do not mean that in the pejorative sense but in the sense that it is beyond the scope of the bill. I am just wondering whether this is not a weakness in the amendment.

I suggest to the hon. member for Winnipeg North Centre that the amendment should not import into the debate a question that is irrelevant to the purpose of the bill under consideration. I submit that the purport or substance of the bill is limited, as stated in clause 1, which is the short title, as follows:

> This act may be cited as the Canadian National Railways Financing and Guarantee Act, 1970.

[Mr. Macdonald (Rosedale).]

• (4:00 p.m.)

As I am sure the hon. member will agree, this is very limited. It may be that the hon. member may think pensions flow from a measure to capitalize or finance the operations of Canadian National Railways, but I suggest to him the recommendation of the Crown relates exclusively to capital expenditures and to the meeting of deficiencies of Canadian National Railways and Air Canada.

While the Chair appreciates the zeal and interest of the hon. member for Winnipeg North Centre in the realm of pensions, which is of interest to all members of the House, I must say to him that his interest and concern in that regard is not relevant to the bill now before the House. I think they are different. I hesitate to say this, but it seems they are two different points and different questions.

While the hon. member's amendment, as I have stated, appears to be opposed to the progress of the bill, he is merely endeavouring to attach a condition which in my opinion is not within the scope of the bill or the motion for second reading threof. In that regard I must draw the attention of the hon. member to citation 388 of Beauchesne's Fourth Edition which reads as follows:

> On the motion for the second reading of a bill respecting the Canadian National Railways and to provide for co-operation with the Canadian Pacific Railway system, and for other purposes, a member moved as an amendment "that the second reading of this bill be postponed until this House declared that nothing therein shall be taken to authorize any amalagamation of the Canadian National Railway with the Canadian Pacific Railway; or to divest Parliament of its rights; or to take from the House of Commons its primary duty to control expenditures of public moneys and the taxes required to meet the same; and that the provisions of this bill shall be read in the light of this declaration, and be construed so as to conform therewith, and that in so far as any of its provisions may be inconsistent therewith they shall be amended accordingly, and that the adoption of this amendment by this House shall constitute the declaration of its intention and purposes as set forth herein." The Speaker ruled this out for the reason that, instead of being a declaration of principle, it proposed a postponement of the second reading pending a definite declaration of the House; moreover, it did not purport to disagree with the principle of the bill but it dealt with its provisions and anticipated amendments which may be moved in committee. On an appeal to the House, the Speaker's decision was sustained by a vote of 88 to 35.

Mr. Knowles (Winnipeg North Centre): Where were all the rest of the members on that day?

Mr. Speaker: In essence, it does seem to me that the hon. member's amendment does not oppose the progress of the bill. What he is trying to do, I suggest, is attach a condition to the motion for second reading. In that regard, I would refer the hon. member to page 528 of May's Seventeenth Edition where in part it is stated:

> —nor is it permissible to propose merely the addition of words to the question, that the bill be now read a second time, as such words must, by implication, attach conditions to the second reading.

In effect, if I may so suggest, that is what the hon. member in reality is seeking to accomplish. I hesitate to

reach the conclusion that the amendment should not be put, because of the importance of the matter, the well-known interest of the hon. member is the subject of pensions and because the amendment might have given the House an opportunity to discuss the situation which the hon. member wanted to include in the debate which is now before the House. However, I feel there are some procedural difficulties which the Chair cannot overlook, and because of these procedural and technical difficulties I do not think I should put the hon. member's amendment at this time.

I apologize to the hon. member for Regina East (Mr. Burton) if I have deprived him of the opportunity to at least begin his speech. It being four o'clock, the House will now proceed to the consideration of private members' business, namely, public bills, notices of motions and private bills.

* * *

BUSINESS OF THE HOUSE

Mr. Baldwin: I rise on a point of order, Mr. Speaker, in respect of the business of the House. It appears, so far as Bill C-186 is concerned, that it is stuck in one place; the needle seems to be stuck on the record. I should like to know whether the Parliamentary Secretary to the President of the Privy Council has any information for the House concerning the business for next Monday.

Mr. Jerome: Mr. Speaker, we propose to continue with the measure before us this afternoon, the CNR financing bill. Following that we would likely proceed with the Buffalo and Fort Erie Public Bridge Company bill, the bill in respect of three small loans acts, after which we would likely consider the anti-dumping bill, the statutory instruments bill, the measure concerning packaging and labelling, and the co-operative associations bill.

Mr. Baldwin: Is that for Monday, or for Monday and Tuesday?

Mr. Jerome: That is the schedule for monday afternoon, and in the evening we will have to come up with something else.

PRIVATE MEMBERS' PUBLIC BILLS

STATISTICS ACT

MEASURE TO REMOVE "DOMINION" FROM TITLE DOMINION BUREAU OF STATISTICS AND REPLACE BY "CANADA"

On the order:

October 20, 1970—Second reading and reference to the Standing Committee on Finance, Trade and Economic Affairs of Bill C-13, an act to amend the Statistics Act.—Mr. Robinson.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I understand that the hon. member for Lakeshore (Mr. Robinson) has consented to withdraw this bill. Because he is not here today, perhaps it would be better to have it stood.

Mr. Speaker: The Parliamentary Secretary might give his undertaking to the House, which I am sure will be accepted, that the hon. member has indicated that his bill should be withdrawn.

Mr. Jerome: Yes, Mr. Speaker.

Motion withdrawn.

* * *

CANADA LABOUR (STANDARDS) CODE

EMPLOYER'S NOTICE BEFORE DISCHARGING EMPLOYEE—PAYMENT OF WAGES FOR PERIOD OF NOTICE

Mr. Stanley Knowles (Winnipeg North Centre) moved that Bill C-20, to amend the Canada Labour (Standards) Code (notice and payment to employees in case of discharge or lay-off) be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, when I realized earlier today I would be moving an amendment to the second reading of Bill C-186 and then later would be moving second reading of Bill C-20, I had the notion I might win the first time but not the second. Apparently I was wrong about the first instance, and perhaps I will be wrong now as well and find that this bill is acceptable and that it will be permitted to go to the Standing Committee.

This bill seeks to amend the Canada Labour (Standards) Code. As hon. members are aware, we sought for a good many years to get Parliament to pass a labour code and finally a few years ago we were successful. Since that time we have been trying to get it improved. I believe it is fair to say the government is just as anxious as are members on the opposition side of the House to improve that piece of legislation.

• (4:10 p.m.)

I welcome the pounding of the desk by the Parliamentary Secretary to the Minister of Labour (Mr. Perrault). I think that is a good omen. At any rate, hon. members are aware that the Canada Labour (Standards) Code regulates labour matters with respect to employees who by the terms of the BNA Act come under federal jurisdiction. Almost every time a piece of legislation of this kind comes up, some journalist or other person thinks that it relates only to federal employees, in other words federal public servants. That is not so. This applies to people working in private industry in those kinds of occupations that are regulated by federal law such as railroading, shipping, communications, banking and so on.

We have several pieces of legislation that govern these relationships. There is, of course, the Industrial Relations and Disputes Investigation Act. There is the Canada Labour (Standards) Code, which is before us now, there

is the Canada Labour (Safety) Code, there is legislation respecting equal pay for equal work, and so on. The Canada Labour (Standards) Code is the one that provides for a certain number of statutory holidays per year and a certain number of annual holidays with pay. It also provides minimum wages, a maximum work week and similar conditions.

Bill C-20 seeks to add to that legislation one further provision. I have some other bills that add other provisions, but we will take these one at a time. The provision that this bill seeks to add to the Canada Labour (Standards) Code is that when an employee is laid off or discharged he must receive two weeks' notice. The details set out in the bill make it clear that under these circumstances an employer could lay off an employee by giving him two weeks' notice today but giving him two weeks' full pay, or he could give him notice today that he is through in two weeks' time and, of course, he earns his full pay during that period.

The bill spells out a number of details so as to relate this to matters of overtime and to pay that could be irregular from week to week, but the basic principle would be that no one could be discharged peremptorily without any pay. It is very simple—any individual being laid off must be given two weeks' notice, and that must include two weeks' pay, whether the person works or not during that time. There is the exception, of course, that if a person is laid off for just cause, some misdemeanour or what-have-you, the bill does not necessarily apply, but it does apply if the lay-off is because of want of work. The bill also contains a provision that works the other way, that an employee who plans to leave must give his employer two weeks' notice as well.

The other point I would like to make is one that is indicated in the explanatory note rather than in the bill itself, and perhaps I might read the last sentence of the explanatory note. It reads:

> This bill deals only with the case of individual employees being laid off, it being understood that other legislation is required to deal with mass lay-offs or plant shutdowns.

As a matter of fact, one of my colleagues is preparing a bill along those lines. We feel that in such cases the notice should be much longer than two weeks; it should be in terms of three or six months. What we are dealing with in this bill, however, is not the shutdown of a plant or mass lay-offs but, rather, the individual dismissal. We think that in such cases it should be the right of any employee to receive at least two weeks' notice and pay for that two-week period. I suggest that it is a very reasonable proposition, so reasonable and so minimal that one should not have to argue for it at all. The only criticism that I could imagine anyone might make is that the bill should go further. At least, I hope the idea that is in the bill will recommend itself to the House and that there will be approval to send it to the Standing Committee on Labour, Manpower and Immigration.

Mr. Charles Turner (London East): Mr. Speaker, I commend the hon. member for Winnipeg North Centre (Mr. Knowles) for introducing this bill. I know that in so doing he has drawn attention to a situation in Canada which must leave many of us very unhappy. I say to the hon. member that his bill does not go far enough.

[Mr. Knowles (Winnipeg North Centre).]

It is time we stopped hiding behind the old excuse that we cannot pass legislation because it is not within our jurisdiction under the British North America Act. Five provinces in Canada—Manitoba, Newfoundland, Nova Scotia, Quebec and Saskatchewan—have legislation requiring an employer or employee to give notice of termination of employment. It is time we introduced laws in this country that would stop companies laying off employees when they feel like pulling up stakes and moving to other parts of the country or closing down entirely. These laws should apply from coast to coast and they should be federal laws. When a company has been established in any part of Canada for many years, the management of that company has a responsibility to the community in which it is located.

The city of London, Ontario, has thousands of people out of work because of the closing of Kelvinator of Canada, Robson-Lang Leathers, and the phasing-out of the 27 C.O.D. military base, as well as the recent announcement of the closing of the Eaton Automotive Company. True, the 27 C.O.D. and the Eaton Automotive Company have given at least six months' notice, but what happens to these employees who have given years of long, hard and faithful service to their employers? Many will be unable to obtain another job because of their age, and most of them are too young to apply for their pension. I sincerely believe that industry closing should be subject to investigation by the government and a public body composed of all interested groups, so that employees can be given notice of six to 12 months, where possible, with appropriate penalties for non-compliance.

I would like to read into the record a letter I received from a man who is going to be laid off from the Eaton Automotive Company. He wrote as follows:

• (4:20 p.m.)

> I am extremely annoyed at the way plants are closing down in London. I work at Eaton Automotive (Eaton, Yale and Towne) here in London and it recently announced closing of the plant to begin the 1st of January, concluding the 1st of June, 1971. Eaton, Yale and Towne has made a profit of 60.9 million dollars in 1970. It has eleven plants in Canada and plants in twenty-two other countries of the world. Why are we closing? According to Eaton's president, the plant's location is excellent, profits are high, good relations exist with both plant and office personnel, lots of room for expansion and the plant is only twenty years old. Still we are closing.
>
> The company has said it cannot find a product that is profitable. This is a lie! We have had three products successfully developed in our plant, being bucket seats, auto-interceptors (a balloon that inflates before a crash) and most recently the brake system we devised for cars. All three were developed in our plant to the extent of being put on a production line. The plant has sent all three items to the States for production and now says it can't find a profitable product. These products are in production and making money for Americans and not here in Canada where they should be.
>
> So there it stands. Why, I ask you, Mr. Turner, are we closing? Eaton also has the power to take work from one plant,

put it in another plant and leave the workers out of a job. This should not be done and I ask you to help us. The plant is noted for closing other plants after 15-20 years production, putting elderly employees out of wark without a liveable pension.

I do hope you will speak on these matters in the House. It is the future of all Canadians.

Many industries in Canada are seasonal in nature. Therefore, when an employee is hired he knows what the job will be and whether it will be of short duration. This is where Bill C-20 should apply. Down through the years the trade unions of this nation have tried to take care of the problem of lay-offs by collective bargaining, but it must be stressed that barely a third of all Canadian wage and salary earners are members of trade unions. While a number of non-unionists are covered by collective agreements, the total thus protected probably falls well short of 50 per cent of the employed work force. Whether the workers need it or not, at least half of all wage and salary earners have no protection other than that stemming from individual agreements, common law and provincial legislation. It amazes me that according to a study of all Canadian industries in the year 1968, only 40 per cent of agreements—39 per cent of employees—had a lay-off provision, and 23 per cent of agreements or 19 per cent of employees specified a period of seven days or less.

We have been told that United States industries have an investment in our country of over $50 billion. Mr. Speaker, that is a large sum of money. Why did they make that huge investment in this country? I believe they looked at the opportunity to invest and make money on our natural resources. We, as Canadians, are glad they are here because they have created thousands of jobs for Canadians. But one of the main reasons they are here is that our wage structure is much lower than that in the United States. Now that the workers of this nation have organized to try and obtain better wages to enjoy their own Canadian way of life, many of these companies have decided that it would be cheaper for them to shut down their Canadian plants and transfer the work to their parent plants. Canadian law should not permit this to happen. Many of these companies were given incentives to locate in various areas of Canada. Therefore, they have an obligation to the areas in which they are located to help stabilize the employment there. These companies should be made to provide compensation to their workers who lose their jobs through no fault of their own.

In this age of automation it often happens that a particular job is eliminated by machinery or the closing of an industry, which can cause loss of seniority and other rights. We must remember, Mr. Speaker, that these machines do not buy homes, cars, furniture or the weekly groceries. They contribute nothing to the church or to the various charities. They contribute nothing to our way of life other than to take away a man's livelihood. Also, they pay no taxes and no union dues. Every time there is a strike, the management of these large companies try to think of ways to eliminate jobs by the introduction of machines. I believe they all should have a responsibility to the area in which they are located, to make certain that their employees are not forced out on the street to end up on welfare.

Public benefits to qualified workers through unemployment insurance were also intended to assist the displaced worker through the period in which he might be without work. In recent years, through collective bargaining the concepts of severance pay and the availability of unemployment insurance have been merged in a variety of ways. Workers who are laid off, with or without the expectation that the lay-off will be of a permanent nature, are also realizing in cash or in vested rights and fringe benefits that which they stand to lose, together with compensation for wages lost. Traditional severance pay plans provide a cash settlement in a lump sum or in instalments to workers whose employment has been terminated. I recall that during the time of conversion of the railways from steam to diesel, thousands of workers were laid off by both railways. They did not receive any severance pay but were very fortunate to have paid into the unemployment insurance plan so that they were eligible to draw benefits.

The prime purpose of supplemental unemployment benefit plans is to provide weekly allowances to workers on lay-offs in order to supplement unemployment compensation. Usually, the lay-off is not considered permanent, that is, both the employer and the employee expect the worker to be recalled to the job. Unlike traditional severance pay plans, supplementary unemployment benefits are paid only if the worker is unemployed. Under the auto pact, transitional assistance benefits—in short, TAB—were set up by the federal government when the Canada-U.S. auto trade agreement was signed. Its purpose is to assist workers who lose their jobs as a direct result of the agreement which set out to consolidate auto and auto parts production in the two countries.

TAB and unemployment insurance benefits together range from 62 per cent, plus an additional 2½ per cent plus an additional 2½ per cent for each dependent to a maximum of 75 per cent of an employee's previous earnings. The maximum may not exceed 65 per cent of the weekly average of both wages and salaries for the industry as a whole. An employee is eligible for TAB if he has worked in the industry for 16 weeks in the previous 52 weeks, and he receives one week of benefits for every two weeks worked in the previous year. There is a maximum period of 52 weeks. Benefits are to augment unemployment insurance benefits if they lapse while the employee is still entitled to TAB. The weekly TAB payment will then be increased to offset the loss.

Mr. Speaker, this is excellent protection and should be extended to all industries in the nation so that we can eliminate some of the constant worries of people who could be laid off through a general slackening in the business world. We should try to gear our country to full employment, but in the event of slowdowns in the economy the workers of the nation need protection against the interruption of their work week patterns.

As we move ahead into the 1970's we all have much to do to try and increase the benefits of the working people

of Canada. We could take a big step forward now if we considered all sound suggestions in a serious light. Mr. Speaker, this is the challenge of the seventies: Full employment for all Canadians. In this fast-changing nation I believe it is a tragic situation when people are thrown out of work at ages when they cannot obtain another job. I sincerely believe this situation could be cleared up if all private industrial pensions were made portable from coast to coast in any industrial business. Thus, when an employee is laid off he would be able to take his pension with him to a new job, if he is fortunate to get one. It would prevent employers from saying a man is too old because he would not fit into their pension schemes. I believe it would also eliminate most of the problems confronting a person who is 65 years of age when he retires. Over a man's working years he would contribute, along with his employers, into the pension plan and he could retire with no financial worries about his future.

Mr. Heath Macquarrie (Hillsborough): It is very easy, Mr. Speaker, to begin my few remarks with commendation of the efforts and the methods of the hon. member for Winnipeg North Centre (Mr. Knowles). I want to assure him right away that, both distorting and plagiarizing Shakespeare, I come to praise the bill, not to bury it—although I have noticed in the private members' hour that the two motivations sometimes coincide. I think at 4.30 p.m. I am safe from that dismal denouement.

• (4:30 p.m.)

As I say, it is very easy to support the work of the hon. member because I am in accord with most of the measures he brings into this House. When he is not discussing foreign policy or ideology generally in the political sense or economic policies in principle, and discusses the place of the dispossessed in our society, enlightenment in the labour legislation and, certainly, procedure—last Tuesday with regard to research—I am enthusiastically his supporter. If it were not for his modesty and my excessive laconic candour, I would be inclined to say in some fulsome way that he is one of the greatest parliamentarians seen in this chamber for many years.

I should like to praise him a little more, but he might think that I am pressing him in his role of chancellor of a certain university and that I might be ambitious, like some others, who find that honours come upon them by degrees rather than dissertation.

Mr. Dinsdale: No commercials.

Mr. Macquarrie: My friend from Brandon-Souris says "No commercials," and I shall heed his advice. I want to say that this is important legislation and it is more limited than many of the measures the hon. member has introduced in the past. As he has indicated, it deals with very important problems. Through the years in our society there have been many grievous disparities between labour and management. In the present day we find disparities of a serious nature developing within the labour sector as well. But this is not the particular aspect with which the bill deals. I quite agree with the hon. member who preceded me that the peremptory discharge of employees who have rendered faithful service is an outrage upon a civilized society. It has happened far too often in recent years.

There are many factors in our society which disrupt economic patterns and industrial set-ups. Quite often large bodies of people, through no fault of their own but because of technological or technical changes, governmental decisions or conditions in the market, find themselves cast into the ashcan of the unemployed. This is sometimes done brutally. I think the hon. member, in attempting to remove the guillotine from employees such as he mentioned, is very much on the side of the angels. I am against the guillotine in Parliament and I am against it in labour relations.

One of the things which has troubled us in recent years is the situation facing our students, although some of these may not precisely come under the three-month period of the hon. member's bill. They have had difficulty finding jobs which will assist them in their costly educational careers. We know that last year and the year before many were not able to find work. I have heard many shocking cases of those who were able to find work being discharged at the whim of the employer, with no redress and no warning.

I often think of the great responsibility that some of these callous and cynical employers bear in our society where there is great anxiety because youth is in revolt. How could they be otherwise than distressed and dissatisfied in a system which so often lacks reason and compassion? So, Mr. Speaker, this effort to ameliorate these conditions, to give the required measure of reason and compassion, is certainly a move in the right direction.

I also commend the hon. member's sense of balance. As he pointed out in his brief and succinct explanation, the employee must also act reasonably. I suppose it is a fundamental of civilized societies that the people comprising them must generally act reasonably one toward the other. It is a reflection, of course, of our occasional, if not frequent—and some would say eternal—irrationality that we cannot count upon man's essential nature but must legislate acceptable and minimum codes of behaviour and minimum laws of contract. This, of course, is what we are doing in this Parliament when we pass legislation of one kind or another. I believe this is important because we live in a society of much enforced unemployment. We have many victims of technological change. It is important as well because we have great mobility in our society.

I think this is the underpinning of an essential contractual relationship, and I am thoroughly in accord with it. I agree with the hon. member for London East (Mr. Turner) who said that it deals with part of a very serious situation. When this bill comes to committee, as I am sure it will, I hope it will receive the support of hon. members from all parts of the House.

Some hon. Members: Question.

Mr. Ralph Stewart (Cochrane): Mr. Speaker, I am glad that all sides of the House are not of the same mind, that there should be no more speaking. I should like to agree with those who have spoken before me.

An hon. Member: Good. Now sit down.

Mr. Stewart (Cochrane): The consideration of notice of discharge is an extremely important matter and something should be done about it. However, I do not agree that it should be done in the way suggested by the hon. member for Winnipeg North Centre (Mr. Knowles). I agree with other members who have said that the provision does not go far enough. Why not three weeks or four weeks? Also, this proposal has to be considered with other things in the code; the whole code has to be considered.

I, for one, like the idea of severance pay rather than simply giving notice. First of all, a man who is to be out of work will look for another job because he wants money in his pocket. It will cost him money to go around looking for another job. Secondly, if he continues working during his period of notice, neither he nor his employer are satisfied because his mind is not completely on his job as he is thinking of finding another one. I would like the idea of notice to be confined to severance pay, and this principle should extend to all walks of life.

There are those who like to make remarks about Members of Parliament being so well off, and so on. If any of us without notice were to lose the next election, we would not receive any severance pay. Sometimes it is well for people to remember that. We would walk out without a cent in our pockets and we would be looking for a job. I think it is well to keep this in mind. I am not making the point that Members of Parliament ought to be included in this legislation, but from time to time it is well to remind people of these things. So many members seem to be ashamed of saying what they are worth. I am not one of those.

• (4:40 p.m.)

Some hon. Members: Hear, hear!

Mr. Stewart (Cochrane): I wish to refer briefly to the Speech from the Throne. In it there is reference—granted, it was in broad term—to the government's intention of reviewing the Canada Labour (Standards) Code. If the government is to review one part of that code, certainly it will open up the entire code for amendments—this is something we ought to consider—and not just the aspect referred to in this bill. If the entire code is reopened in that way, I think the House will have to consider making a comprehensive set of amendments.

The bill we are discussing covers a very small area. It mentions the lay-off of the individual as opposed to a mass lay-off. Although these are distinct problems, they ought to be taken into consideration in the review to which I have alluded. Also, if we are to make changes to that code, changes will have to be made in all these areas. I do not believe it is sufficient to provide for advance notice to individuals if there is not appropriate provision for protecting large groups of employees affected by plant shutdowns. This is the kind of thing we run into very often in the part of the country I represent, and that situation results from the kind of industry established in the area. As you know, Mr. Speaker, our industry is not diversified. I have often spoken about this situation. If a mine closes in my area or if a plant shuts down, the whole town shuts down. This is unfortunate.

I think we must consider the broader aspects of the question we are discussing when dealing with the Canada Labour (Standards) Code. If, in its consideration of this matter, the government concludes that the concept of advance notice is not enough, then other factors will need to be brought into play. We must be concerned about manpower services, about retraining and the relocation of individuals, and about mobilizing all those who have lost their jobs. These are all matters which must be considered, along with the amendments that will be considered. But if we are to do that, the two weeks' notice suggested in this bill would not be sufficient. The extent of the advance notice should be directly related to the number of people who will be involved in the disruption. The more people who are disrupted, the greater should be the time required in which they are to be relocated.

In cases of technical change or industrial conversion the employer should be compelled to provide training opportunities for the employees affected whenever alternate employment is not available in the same plant. These are all matters which must be considered in the over-all review of the Labour (Standards) Code. That is why I say, Mr. Speaker, that although this bill is laudable in intent, it really does not cover the situation in the way it must be covered.

Let us look again at the question of notice of termination of employment. I should like to go back a little in time. In the nineteenth century in this country as in many other countries, employers had absolute freedom with regard to dismissal. The employment relationship was considered to be a contract freely entered into between equals for the purpose of exchanging services for remuneration, and thus it was considered similar to other types of contract of indeterminate duration. With the passage of time it became more and more recognized that the notion of the employer and worker being equal partners in a freely established employment relationship did not correspond to economic realty and that the worker, as the economically weaker party in the employer-worker relationship, required protection against hardships caused by loss of employment. The means of providing such protection most widely applied both in Canada and other countries was to impose a compulsory period of notice upon the employer.

The purpose of the notice period is to alleviate the hardship which results from outright dismissal. Advance notice provides an opportunity for the worker, while still employed, to prepare for the change in his situation caused by the termination of his employment and to look for another job. In order for him to be able to do that,

Mr. Speaker, it is necessary for the notice to be long enough for him to relocate in another job, to be retrained or to undertake whatever the case may require in his particular circumstances. In the various provinces there are different regulations covering this situation and we have seen that in most cases they are not adequate. However, I do not want to deal with that matter. I have no intention of talking until five o'clock, Mr. Speaker, because I do not want to be accused of talking out a bill.

Some hon. Members: Hear, hear!

Mr. Stewart (Cochrane): There are a few generalizations that I think it would be well to make here. I will not go over the codes, coverages or laws of the different provinces. Generally, all employers and employees, wage earning or salaried, whether in the public or private sector, are included except, as a rule, rural workers and domestic servants. Legislation generally provides for the inclusion or exclusion of various occupational groups or industries by subsequent regulations. Only Saskatchewan specifically excludes managerial staff.

The legislation of the provinces varies in respect of the length of notice which must be given. One week's notice is assured by a specific provision in Saskatchewan and Nova Scotia, or by the reasonable notice provision. There is some differentiation in four provinces, either by the length of pay period provision in Manitoba, Quebec and Newfoundland or by the service based provision of Ontario. Two of the three most recent pieces of legislation in Ontario and Newfoundland make it compulsory for employees to work out the full notice period, and this is a requirement not found in any other industrialized country.

The matter of reciprocity of obligations was referred to by the hon. member who introduced this bill. I should like to make one comment on that matter. Four provinces require the same notice for quits as for dismissals. Ontario provides for partial reciprocity, but the notice periods are considerably less for employees. Saskatchewan is the odd one out, requiring no notice from the employee.

I shall now talk about pay in lieu of notice, which in my opinion is a better method to use. Pay in lieu of notice is specifically provided for by one means or another. As in most industrialized countries, pay is defined as the wages due for the prescribed period excluding overtime. The criterion set out in Saskatchewan legislation is common in other countries as well.

An hon. Member: Does the hon. member know who brought that legislation in?

Mr. Stewart (Cochrane): There is usually a period of probation during which no notice is required. Probationary periods in which notice of dismissal provisions do not apply range from two weeks in Manitoba to three months in Saskatchewan, Nova Scotia and Ontario. A point which should be stressed is that barely one third of Canada's wage and salary earners are trade unionists, so a great many people have no opportunity to become involved in the making of collective agreements. I wonder whether this is not a weakness in our system of bargaining and trade unions. Perhaps a permanent type of arbitration committee should be required which would deal with issues on a permanent and continuing basis, rather than directing its attention to specific contracts; negotiation would be a continuing process all the time.

• (4:50 p.m.)

I have other remarks to make, Mr. Speaker, but the clock is moving along so I think it would be well to terminate my observations at this point.

[*Translation*]

Mr. Prosper Boulanger (Mercier): Mr. Speaker, I hope I will not be blamed for speaking today because I am not of those who make speeches very often. But in view of the importance of this bill, I intend to say a few words.

I could have expressed myself better on the technical aspects of this bill, but as my colleagues did so before me, I shall deal with the human aspect of this whole matter.

The hon. member for Winnipeg North Centre (Mr. Knowles) doubtless is right in introducing this bill. If I understood my colleagues correctly, we agree on the necessity of making improvements. Unfortunately, as I have only a few minutes, I shall not be able to give all my reasons for supporting this bill.

Besides, if my colleague from Hillsborough (Mr. Macquarrie) had taken less time praising the member for Winnipeg North Centre (Mr. Knowles) whom he considers and expert in legal and procedural matters, perhaps I would not be accused of trying to talk the bill out. Regretfully, this may happen since I have many things to say and not much time left.

When he presented the bill, the member for Winnipeg North Centre said clearly that it consisted merely of subsection (*b*) and I quote:

lay off the employee; without having given the employee at least two weeks' notice of termination of employment or layoff.

As do many of my colleagues, I find the two-week period rather short and I do not see any extraordinary advantage in giving the employee two weeks' notice.

In my opinion, the bill introduced by the hon. member for Winnipeg-North-Centre should have provided a minimum period of two months. It would have been appropriate.

Mr. Knowles (Winnipeg North Centre): Then move an amendment.

Mr. Boulanger: I will probably do so, if I have enough time, but the entire bill is based on that clause. In my opinion, a two-week period is too short. The hon. member should have asked himself whether a two-week period was really sufficient.

A supplementary period of two weeks could have been proposed, in order to enable an employee to fine some work.

An employee who has received a two-week notice and who must remain in the factory will find it difficult to seek employment, for his boss will seldom grant him one or two hours off per day for that purpose.

This period of two weeks should be granted with two more weeks, for the sole purpose of allowing an employee to seek another job.

As for the International Labour Conference (1963), I feel that the reasons given by an employer to fire an employee are still far from warrantable or warranted, because paternalism still rules in certain factories. Indeed, a foreman who prefers the gait of a 20-year-old employee to that of a 40-year-old one, will often find some mysterious reason to throw the latter out. We are only too aware that there are still injustices committed for such reasons.

[*English*]

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question? Since he seems to like the principle of the bill but wishes its provisions to be improved, will he not move that the bill be not now read the second time but that the subject matter thereof be referred to the Standing Committee in order that it might be improved?

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Boulanger: Mr. Speaker, this question is quite to the point and the hon. member asked it during the study of Bill C-43. As a matter of fact, he proceeded exactly in the same manner in directing a question to my colleague the hon. member for Vancouver-Quadra (Mr. Deachman). But I just do not agree about the two-week period he proposes. I would have preferred that this period be of 30 days, two weeks of which, I repeat, would represent a holiday for—

[*English*]

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

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, November 30, 1970

The House met at 2 p.m.

LANG MAE YUR LUM REEK

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I rise on a question of privilege. While I have heard on many occasions during my 13 years here glowing, eloquent tributes to St. Patrick, St. George, St. David, St. Jean Baptiste before our rules gave us a holiday on that saint's day, and many other heroes, I do not recall this House ever hearing a salutatory statement to the devout and glorious patron of all the Scots, devout or otherwise, St. Andrew.

Considering that the Scots and Scottish Canadians have made a major contribution to our public life, contributing some of our greatest Prime Ministers and sharing the ancestry of others, including the present one, it is fitting, I think, that note be taken of this auspicious day. I believe that a judicious combination of two Scottish characteristics, frugality and friendliness, leads me to the formula that we might extend to one another the wish for a happy St. Andrew's day. To you in particular, Mr. Speaker, on behalf of all Scots here present and here represented I say, lang mae yur lum reek.

ROUTINE PROCEEDINGS

SOCIAL SECURIY

TABLING OF WHITE PAPER, "INCOME SECURITY FOR CANADIANS"—STATEMENT BY MINISTER

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, pursuant to Standing Order 41 I wish to table copies in both official languages of a white paper entitled "Income Security for Canadians".

Today marks the end of the first phase of a searching examination of this important area of policy. The views of Members of Parliament, the provincial governments, the public at large and low-income groups particularly will have an important bearing on the determination of several issues of national importance.

It is my hope that agreement among all concerned will enable us to proceed with the fundamental shifts of policy emphasis and program initiatives proposed.

The sum total of these constitutes an important reorganization of the income security sector of public policy. At issue is the painstaking and complicated task of endowing with a renewed sense of purpose and social relevance, various income support policies which have evolved through the years in specific response to particular problems. Some of the programs involved are exclusively federal and reform of them can be accomplished with relative speed. Others involve the co-operation of provincial authorities and I intend to set in motion full, detailed discussions with those authorities immediately. While the dialogue implicit in the white paper techniques must be meaningful and complete, it is essential to remember that this policy sector concerns men, women and children in permanent and temporary difficulty. They await not just our words, but our actions, and in some particular cases long delay cannot in conscience be permitted.

Our guiding principle in the paper has been to find ways to ensure the greatest possible concentration of available resources upon the people in greatest need. This has led in turn to specific consideration of relative emphasis which should in future be placed on the two, previously parallel main components of income security. First, there have been income protection measures universally available to all or most people aimed at improving their general conditions or at preventing them from falling quickly into poverty as the result of various short-term interruptions of their personal income.

Second, there have been measures aimed more directly at the low-income minority of the population whose members either cannot enter the labour force through no fault of their own or who, even when working, do not derive from certain types of work sufficient income to provide adequately for themselves and their families.

The white paper argues that it is the second group that must today engage our main attention and resources. Here are to be found the aged, mothers by themselves raising children, the physically and mentally disabled, and the so-called working poor. Put another way, here are many of the family units in Canada containing children whose health and potential for economic, social and personal development may be limited by conditions beyond their control.

• (2:10 p.m.)

It is our belief that the people of Canada will share the conviction that the claims of these people must for the next few years at least take precedence. Such agreement would result in increased emphasis on selective income support for people in need, and lessen the emphasis on universal programs.

Thus, the paper proposes strengthening an extension of the concept of providing guaranteed income support not universally but on a selective basis related to family income. Certain alternatives, major and minor, to existing universal programs will enable us to place, in the

short term, approximately $470 million additional a year in the hands of low-income people. This figure represents $194 million of additional cost under the GIS program, and $270 million redistributed under the family income security plan proposals resulting from benefits withdrawn from higher income families and in tax recoveries from beneficiaries.

For the longer term, proposed changes under the Canada Pension Plan should have the effect of increasing protection for various groups in need by another $365 million a year.

These important improvements can be made without diluting economic development programs which help to ensure productive employment for the majority so that the national wealth with which to assist the less fortunate may continue to be generated.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, we are troubled by the persistence of widespread poverty in Canada. One-fifth of the total population is said to exist below the poverty line. I think we must learn to recognize the face of modern poverty. By far the greatest number of Canadians below the poverty line are working full time or part time and receiving virtually no assistance. Most of the others can work only part time in their part of the country or are old, blind, disabled, or mothers of deserted families. The number of Canadians who are poor because they simply refuse to work is said to be only 3 per cent of all those actually below the poverty line.

We are troubled by the failure of our increasingly costly welfare system to eliminate poverty. Our system was evolved piece by piece over the last half century, with each new program reflecting the problems and the values of its day. But there has never been a comprehensive overhaul of the entire structure based on consistent goals and principles. The result is a rather badly coordinated system which sometimes wastes funds in various areas and ignores real need in others. Such a system cannot be expected to cope with the rapidly changing conditions and problems of our technological society. Certainly a thorough examination is needed.

We believe that our society demands the creation of a full system of social justice. We claim that the major goal of our society should be to maximize every individual's freedom of choice and independence. But for men and women who are forced to devote their lives merely to staying alive there is neither freedom of choice nor independence of mind. Unless we act effectively, one-fifth of the Canadian people and their children after them seem destined to remain in that situation.

We believe such reform should give a key role to incentives. This, of course, does not apply to the aged and those outside the working force. But we should emphasize the necessity and importance of income development, of assisting all Canadians who can work to develop both the ability and the competence to achieve greater income earning potential. Opportunities and incentives are needed to encourage recipients to seek further training or fuller employment. Our present welfare and retraining programs, which all too often discourage such efforts, must be reformed. We require an income development program for residents of Canada that would be federally sponsored and integrated with provincial programs after full consultation.

A war against poverty was declared in this country a few years ago but it was abandoned. In all fairness, one must emphasize that poverty has actually deepened in the last couple of years in this country as a result of increased unemployment and of the failure of old age pensions, for example, to increase correspondingly with the increase in the cost of living. Certainly this white paper and its proposals are two years late. When one reads the white paper and sees what is in it one wonders why it took two years to prepare it and table it in the House.

Some hon. Members: Hear, hear!

Mr. Stanfield: I will make no comment today on the unemployment insurance proposals which are in a separate package, nor on the proposals regarding the Canada Pension Plan which are not destined to come into effect until 1973. We will have plenty of time to talk about those. As to old age security, the flat rate is to be frozen at $80 a month. Single persons over 65 years of age are guaranteed an income with supplement of $1,620 a year and married couples $3,050 a year. It should be pointed out that the sum of $1,620 a year is still well below the poverty line for a single person over the age of 65. It should be pointed out also that these allowances are subject to tax. Above all, it should be pointed out and emphasized that the 2 per cent upward adjustment in terms of the cost of living is still to prevail for some reason that is quite beyond my comprehension.

The minister pointed out that these changes will cost $194 million. This will be paid out of the old age security fund. I should emphasize in passing that the amount that the government will save as a result of reducing its family allowances program will at least offset the increase in old age security payments. I do not think the minister intended to give the impression, but perhaps he did, that some $270 million is being transferred to recipients of family allowances at the lower end of the income scale. I think the figure is actually $100 million, and the sum actually saved will be some $270 million plus the $100 million. I do not object to the principle of selectivity here, but I emphasize that this assistance to the aged is late, is inadequate, particularly for single persons below the poverty line, and is subject to taxation. I do not see why the older people who have been held up for so long must wait until April 1 of next year to receive any help at all.

Some hon. Members: Hear, hear!

Mr. Stanfield: As to the changes with regard to family allowances, I suggest that the system adopted is rather crude, far cruder than it might have been in the sense that the income eligibility does not vary at all with

family income. It could quite easily have incorporated this principle. A child will bring in some $180 a year at the maximum, and these benefits are taxable.

• (2:20 p.m.)

What might have been a program of substantial help to the working poor, and which might have tied in with a subsequent move toward a more comprehensive plan, seems to me to have been bungled. Above all, in view of the help which the children of low income families need, it seems to me that the government will have some difficulty in justifying why it has removed some $175 million a year from assistance to families with children.

Without going on at great length, Mr. Speaker, may I say that we see here no effective broadening of the basis of security. We see no recognition of the difficulties that the poorer provinces have in using the Canada Pension Plan to provide an adequate level of support in those provinces. We see no recognition at all of the tremendous load that the government has placed on welfare authorities through the increase in unemployment. There is no recognition, Sir, of the need to encourage people and help them to break out of the poverty cycle other than just a general reference that this is something that is going to be discussed with the provinces.

Sir, one-fifth of the Canadian people are living in poverty today. This white paper offers very little hope to most of them. It offers some to the aged, but much less than could have been done for the children of low-income families. After two years of gestation it is a very inadequate response to the needs of this country.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am very glad to be able to say that there are a number of things in this white paper, at least this white paper with a blue cover, that are good. There is another side to the coin, but may I indicate briefly the reason for my opening statement.

There is provision for an increase in the pensions of older people who are in need. This is welcome. There is an increase in what we now call family allowance payments for those whose total family income is below $8,000 a year. I hope the minister is not thinking I made a mistake. Between $8,000 and $10,000 the amount of the allowance tapers off, but for families with incomes below $8,000 there is an increase. This is welcome.

The proposals to improve the Canada Pension Plan, so far as I have been able to digest them, are all good. Then, of course, there is the usual bowing three times to the provinces assuring the country that co-operation with them will be sought. This is good, but it happens so often that it is hard to get excited about it.

I said that there was another side to the coin. The first criticism I wish to make is that it seems to me that if half as much time had been spent in trying to work out the details of a guaranteed annual income as was spent explaining to us that it cannot be done, we might be farther along the road. If the government will not listen to us I hope it will listen to the delegates at the policy conference of its own party who said that they want a guaranteed annual income.

An hon. Member: Pie in the sky.

Mr. Knowles (Winnipeg North Centre): Somebody over there calls it pie in the sky, but that was the position taken at the Liberal conference.

The second criticism I would like to make is with respect to the proposals to improve the Canada Pension Plan. As I say, they are all good, but they are all very much in the future and I get the impression that this book is full of words such as in this very section that tell us how wonderful things are going to be in 1976 and 1977. But the problem is that people are in need right now. In so far as the government relies on the improvements it is going to make in the Canada Pension Plan, I hope it will endeavour to get the provinces to speed up the process of making those improvements.

My third criticism is that this white paper, like so many documents in this field, sets out to help the poor and does so but still keeps them poor. It still provides for two categories of people, those who are self-supporting and those who have to receive aid. I think there are better ways to abolish poverty than by mere subsistence payments such as those set out in this white paper. As a matter of fact, I do not agree that the figures of $135 per month for a retired single person and $255 per month for a retired married couple represent the abolition of poverty.

The fourth criticism, Mr. Speaker, is that although the white paper devotes many paragraphs on many different pages to the subject of veterans legislation, those paragraphs are only descriptive. They tell us what has been done for veterans in the past and they tell us the present situation. However, despite the fact that we have been waiting for months for this white paper to get some lead as to what is to be done for veterans, there is no indication of where veterans fit into this total program of income security for Canadians.

Finally, Mr. Speaker, I criticize the decision announced in this white paper, notice of which is already on the order paper, to freeze at $80 the old age security pension in the case of those who do not receive any portion of the guaranteed income supplement. When you call that bill for first reading, Mr. Speaker, I am going to enter a caveat against its procedural admissibility. I contend that there is a contract between the Parliament of Canada and the people of Canada under which our people, having paid taxes into the old age security fund, are entitled to the benefits of the Old Age Security Act. To cut out, as from January, 1971, the 2 per cent annual escalation is breaking that contract, is contravening the policy laid down by Parliament, and I think the bill should be looked at by Your Honour from that standpoint.

I remind the government and I remind the House that Mr. Pearson, Miss LaMarsh, the present Minister of Finance and the present Secretary of State for External Affairs, during the debates on the various bills that have

amended the Old Age Security Act, emphasized the point that because Canadians were paying into the old age security fund they had coming to them as a right the benefits provided in the Old Age Security Act. One of those benefits is to have the basic pension escalated, if the cost of living goes up, by not more than 2 per cent in any one year. I suggest that to take that away at this time is unfair and unjust and in violation of a policy laid down by Parliament.

I should like to emphasize this point, Mr. Speaker, and with this I shall bring these remarks to a close, by indicating the kind of unfairness that will develop. Under this white paper, if a person is receiving old age security and a guaranteed income supplement combined, he will get up to a 2 per cent increase in his total income each year. But if a person is receiving, let us say, old age security and a retired civil servant's pension—and his total may be just about the same—he will get, by the legislation we passed last March, up to a 2 per cent annual increase in his retired civil servant's pension but no increase in his old age security pension. The third person is one in receipt of old age security and a pension from some private company or some other source. That person will get no increase at all because of the rise in the cost of living. On this basis in particular I think it is most unfair to cut out the annual increase in the basic old age security pension which was provided by Parliament and which is part of the contract we have made.

I agree with the Leader of the Opposition that it is unfortunate the government has not come through with an upward adjustment in the 2 per cent ceiling, but apart from that I submit that denying to the people of Canada who have provided for themselves some other resources and therefore cannot obtain the guaranteed income supplement the right to have their basic pensions escalated from here on is most unfair. This is the feature in the proposals before us to which I object most of all—the freezing of the basic pension at $80 a month.

• (2:30 p.m.)

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I appreciate this opportunity of congratulating the government on its attitude toward Canadian families.

Since 1945, there has been a succession of pleas in favour of an increase in family allowances to parents and now the Economic Council of Canada is requesting, in its fifth annual report, among other things, a review of the Family Allowances Act, while also recording the constant increase in the cost of living. I see that the government has taken these recommendations into account.

To be sure, the time has come to adjust family allowances, as families in the low-income groups are in great need of help.

There is still a great deal to be achieved. Let us hope that the Canadian government will give more and more consideration to the family—consideration coupled with action. Our birth rate is alarmingly low. Let us help families in a concrete and efficient way.

It is a fact that children have a much better chance to live than they used to, but it is hardly fair to say that the mortality rate in respect of certain types of illness has declined. It has been, in a way, limited through the progress of science, through admirable efforts on the part of doctors as well as through the co-operation and enlightenment of parents.

Judging this progress from only one criteria, that of life conservation, Canada, one of the richest countries in the world, does not rank very high yet among the nations of the world. As a matter of fact, 12 countries have an infant mortality rate lower than Canada.

As far as allowances are concerned, we should take a logical position, because, according to the amounts allocated to foster-homes we find it more profitable to raise other peoples' children.

With regard to old age security pensions, we believe the rate adjustment to be simply ludicrous. There are over 1.5 million senior citizens in Canada, many of whom have reached age 65, with little or no income.

Many a time these hardships are their only reward for a life of toil. It would have been in order to adjust their pensions upwards so as to ensure a decent standard of living. Because of limited protection against rising prices, old age pensioners have felt the bite of inflation much more than most other Canadians.

The social needs of our senior citizens are too often neglected. Retirement draws the worker away from active participation in the activities of those institutions he previously belonged to. Because of some disability or other, or lack of income, they may also be deprived of the services offered in their neighborhood or the community. They may come up against problems that require the help of an expert, but they do not know where to go, and cannot always move about to get help.

Canada must play its proper role toward its older citizens by making sure their years of retirement are as pleasent and fruitful as the resources of the country can allow.

I have watched the behaviour of many political men closely enough to conclude that most of them would favour increasing family allowances and adjusting the old age pension reasonably. Still, they remain paralyzed, because of lack of money or the need to increase taxes, according to their concept of scarcity in an age of affluence.

However, ministers, members of Parliament, senators, judges, commissioners, not to mention the protégés of the system, provide against the cost of living increase. This last category has followed, when it did not go beyond, the cost of living requirements. Nonetheless, it is strange to see how easy it is to understand problems when one's own security is at stake, and how difficult it is to understand a situation as unfortunate as that of a high proportion of our Canadian families.

We should be ashamed of such behaviour. To those who can not find any other means than taxes to allow the necessary increases and who did not hesitate to give themselves the increases we all know about, I would ask why they cannot do something to give justified increases to those who need them much more than they do? Why try to ratio Canadian families? Producers and dealers are advertising their goods at great cost.

Why are taxes allowed to undermine the effect of such advertising?

It is simply illogical. In cutting down the flow of money by abusive taxes, the sale of products is at the same time restricted. It is not necessary to be a genius to understand that.

As far as products are concerned, we seem to understand that it is not necessary to deprive people in order to provide all Canadian families with the products they need.

Canada, a rich country, can certainly feed and clothe all Canadians at the same time without depriving some to serve the others. It is a mere question of seeing real wealth in goods instead of seeing it in the symbol which is only a means of getting the goods which are plentiful.

It is unfortunate that too many politicians seem to take seriously the information supplied by the financiers' noisy publicity. It is not surprising that a certain number of our graduates are so eager to turn to socialism.

With their acquired and unassimilated knowledge of science and letters and mostly on account of their ambition to reign rather than serve, they get ready for higher positions in order to enjoy real security. They should rather take into account the needs of the population in general.

We demand tax free allowances and pensions, but this is something that most of our economists are unable to comprehend. They understand everything that is to their advantage, but when it comes to others, they oppose various objections.

We waste too much time, here in this House, trying to find out who—rather than what—is right.

* * *

[*English*]

CANADA DEVELOPMENT CORPORATION

On the order: Introduction of Bills:

November 24, 1970—Mr. Saltsman—Bill intituled: "An Act to establish a Canada Development Corporation".

Mr. Speaker: I indicated to the House last Friday that the Chair had reservations about this bill and suggested to hon. members who might like to argue about its acceptability from the procedural standpoint that they could argue about it at this time or later, if they preferred to. If the hon. member for Waterloo wishes to present arguments at this time in support of the bill from a procedural standpoint, I shall be pleased to hear him.

Mr. Saltsman: Mr. Speaker, bearing in mind your remarks of last week, I have gone through the bill in an attempt to make it acceptable to you, Sir, and I hope that my efforts have been successful. The purpose of a private member's bill very frequently is to direct attention to an important matter. It is not our intention in the bill to suggest that it should involve implications for government revenue. The corporation would be entirely self-sufficient to that extent. Therefore, Mr. Speaker, in light of our intention that this bill should not involve any implications respecting revenue for the government, I hope you will permit it to be introduced.

Mr. Speaker: If there is no further argument about the bill, perhaps I might be allowed to look at the matter a little more closely. I told the hon. member last week that I was very anxious to give him the benefit of the doubt. Perhaps what has been done with other bills before might be done with this one in the sense that we might be able to look at what might be considered as the financial provisions of the bill and, with the agreement of the House, have it amended accordingly. In any event, I will look into the matter and see if there is anything that can be done by the Chair in co-operation with the hon. member and in co-operation with the parliamentary counsel to make the bill acceptable from a procedural standpoint.

* * *

• (2:40 p.m.)

CRIMINAL CODE

AMENDMENT RESPECTING OBLITERATION OF MOTOR VEHICLE SERIAL NUMBERS

Mr. Barry Mather (Surrey) moved for leave to introduce Bill C-201, to amend the Criminal Code (obliteration of motor-vehicle serial numbers).

Some hon. Members: Explain.

Mr. Mather: Mr. Speaker, the purpose of this bill is simply to make it illegal to operate or possess a motor vehicle on which the serial number has been altered or obliterated. The only conceivable reason for obliterating or altering a motor vehicle serial number is to try to conceal the fact that the vehicle has been stolen. Last year stolen cars cost Canadians over $20 million.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

NATIONAL FILM BOARD—FILM ON PREMIER J. R. SMALLWOOD

Question No. 109—**Mr. Carter:**

1. What was the cost of the film produced by the National Film Board on Premier J. R. Smallwood, tentatively titled Smallwood?

Questions

2. What was (a) the total footage of film shot (b) the total footage of film actually used?

3. What disposal was made of the excess film?

4. What was the number of people in the crew that made the film and how long were they in making it?

5. Did CBC undertake to purchase this film before it was made?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the National Film Board as follows: 1. $80,103.

2. (a) 43,000 ft.—(b) 2,000 ft.

3. All negative, as per usual practice, was retained by the National Film Board's stock shot library. Left over non negative material was donated to Premier Smallwood for his archives with the proviso that it would not be used for public exhibition or for political purposes.

4. Crew was composed of 4 men for 32 days; during a period of three days it was increased by nine; during a period of ten days it was increased by four.

5. No.

[*English*]

ESTABLISHMENT OF WATER QUALITY MANAGEMENT AREAS

Question No. 141—**Mr. Harding:**

1. In what areas does the government anticipate establishing Water Quality Management Areas as provided for in the Canada Water Act?

2. Have any such areas been designated to date?

3. Has the government entered into discussions with any provincial or local governments or any other groups in order to initiate the establishment of such areas?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): 1. The Government anticipates that water quality management areas will be established, as provided for in the Canada Water Act, in any part of the nation where water quality management has become a matter of urgent national concern. Where the waters involved are located within one or more of the provinces the establishment of such management areas normally will take place by agreement between or among the federal and provincial governments concerned.

2. No such management areas have been designated to date; that part of the Canada Water Act providing for establishment of such management areas became law on September 30, 1970.

3. Yes. Arrangements have been made with each province to establish intergovernmental committees to maintain continuing consultation on water resource matters. Most of these committees were established in anticipation of the Act coming into force; and they have met on several occasions in connection with the formulation, coordination and implementation of water policies and programs. The possible establishment of water quality management areas is only one element in this policy and program review process.

[Mr. Carter.]

YOUTH HOSTEL AT BRIGHTON COMPOUND, CHARLOTTETOWN, PEI.

Question No. 180—**Mr. Macquarrie:**

1. What consultations were held with representatives of the Government of Prince Edward Island and/or the city of Charlottetown prior to the establishment of a youth hostel at the Brighton Compound in Charlottetown?

2. Who were the members of the advisory committee?

3. When was this committee formed?

4. When was the youth hostel opened?

5. What are the names and addresses of those responsible for managing and operating the hostel?

6. Were any youth leaders or social workers in Charlottetown requested to assume or assist in direction of the hostel and, if so, whom?

7. What is the estimated total cost of operating the hostel?

8. What amounts were spent in cleaning and renovating the building used?

9. What were the other major items of expenditure?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. Prior to the establishment of the hostel in Charlottetown telegrams were sent to the Honourable Gordon Bennett, Minister of Education and Her Worship Mayor D. M. Corrigan of Charlottetown informing them of the emergency hostel program, and requesting their co-operation.

2. Members of the advisory committee: Mr. Frank Sigsworth, Barrister, P.E.I.; Miss Bea Mair, Dept. of Health, P.E.I.; Miss Carol MacMillan, Detached Youth Worker, P.E.I.; Mr. & Mrs. R. D. Donnelly, Local Citizens, Charlottetown; Mr. J. Evans, Y.M.C.A., Charlottetown; Miss Bernice Rowland, Public Health Nurse, Charlottetown.

3. This committee was formed on July 6, 1970.

4. The hostel opened on July 10, 1970.

5. Members of the management committee: Mr. Brian Bulmer, Fredericton, N.B.; Miss Pat Doherty, 3 Waverly Court, Charlottetown; Miss Janet McLeod, 18 Selling Street, Charlottetown; Mr. Larry Robichaud, Fredericton, N.B.

6. The Advisory Committee assisted in direction of hostel.

7. The estimated total cost of operating the hostel in Charlottetown was $7,882.

8. The budgeted amount for cleaning and renovating was $1,662.00.

9. The other major items of expenditure were staff salaries $4,070.00 and food $1,050.

[*English*]

YOUTH HOSTELS—SUMMER, 1971

Question No. 212—**Mr. Goode:**

Does the government plan to re-institute a program of temporary youth hostels for the Summer of 1971?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): At this time the government is in the process of evaluating the 1970 summer emergency hostel program and no plans have been formulated to date for a similar program during the summer of 1971.

[*English*]

COST OF EXTRA RCMP DUTY—ROCK FESTIVAL, 1969, ALDERGROVE, B.C.

Question No. 217—**Mr. Rose:**

1. What was the cost of extra RCMP duty at the Rock Festival held on Labour Day weekend, 1969, at Aldergrove, British Columbia?

2. What municipal or federal agency paid these costs?

Hon. G. J. McIlraith (Solicitor General): 1. The members of the Royal Canadian Mounted Police do not receive compensation for extra duties such as overtime.

2. Not applicable.

CANADA STUDENT LOANS ACT—AMENDMENT COVERING PART-TIME STUDENTS

Question No. 261—**Mr. Rowland:**

Is the government giving consideration to amending the Canada Student Loans Act to enable part-time students in post-secondary institutions to participate in its provisions?

Hon. E. J. Benson (Minister of Finance): This is a matter of government policy. Should the government decide to propose an amendment to the Canada Student Loans Act to make the suggested change it will be announced at the appropriate time.

CRTC—DIRECTOR RESEARCH AND PLANNING

Question No. 283—**Mr. Aiken:**

1. Who was the successful candidate for the position of Director, Research and Planning, CRTC, advertised under Public Service Commission Bulletin No. 70-3601?

2. What are the qualifications and experience of the successful applicant as a Research Director?

3. What is the nationality of the successful applicant and is he completely bilingual?

4. (a) What salary or remuneration is paid to the successful applicant (b) does he receive, in addition, a per diem allowance and, if so, at what rate?

5. Where does the Director carry on his duties each day of the week?

6. How long has the successful applicant lived in Canada and what was his previous employment?

7. How many other persons applied for the position and were all such persons Canadians?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Public Service Commission and the Canadian Radio-Television Commission as follows:
1. Mr. André F. J. Martin.

2. Attended the École des Beaux Arts, Bordeaux, France. Wide experience as a film producer, director and radio producer. Research and study experience in film and media subjects.

3. French national. Bilingual capabilities considered by the examining Board to be satisfactory for this position.

4. (a) Salary range, $19,100-$21,700; (b) No.

5. In Ottawa.

Questions

6. Mr. Martin has lived in Canada since July 3, 1967. His previous employment was Film Producer and Director and conducting research and studies in film and media subjects.

7. Twelve, not all of whom were Canadian.

AUDITOR GENERAL

Question No. 306—**Mr. Fortin:**

Does the Auditor General audit the books of every (a) proprietary (b) mandatory (c) mixed economy Crown corporation and, if not, does the government intend, in the near future, to allow him to do so?

Hon. C. M. Drury (President of the Treasury Board): The Auditor General audits the accounts of all departmental and agency Crown corporations and all but five of the proprietary Crown corporations. Those five are: Air Canada; Canadian National Railways; Canadian National Railways Securities Trust; Cape Breton Development Corporation; Central Mortgage and Housing Corporation.

In addition, there are several other public instrumentalities for which the Auditor General is not the auditor. These are: Bank of Canada; Industrial Development Bank; Canadian Wheat Board.

As indicated in the Auditor General of Canada bill introduced the 16th of October, it is not proposed to alter the current legislative provision for the audit of Crown corporations, as found in sub-section 2 of Section 77 of the Financial Administration Act, which reads as follows:

> 77. (2) Notwithstanding any other Act, the Auditor General is eligible to be appointed the auditor or a joint auditor, of a Crown corporation.

RECIPIENTS OF OLD AGE SECURITY—BEAUCE CONSTITUENCY

Question No. 309—**Mr. Rodrigue:**

How many recipients of Old Age Security are there in the constituency of Beauce and, of this number, how many receive the Guaranteed Income Supplement?

[*Translation*]

Hon. John C. Munro (Minister of National Health and Welfare): Old age security statistics are not maintained in such a way as to make it possible to state the number of recipients in any given constituency.

[*English*]

RECIPIENTS OF OLD AGE SECURITY—MANITOBA

Question No. 321—**Mr. Orlikow:**

1. How many people in Manitoba receive the Old Age Pension?

2. How many of these recipients receive the Guaranteed Income Supplement?

Hon. John C. Munro (Minister of National Health and Welfare): 1. In Manitoba, 94,175 persons receive the Old Age Pension.

2. The number of Manitoba old age pensioners who receive the Guaranteed Income Supplement is 47,777.

Questions

TIDAL POWER DEVELOPMENT—BAY OF FUNDY

Question No. 373—**Mr. Forrestall:**

1. For what purposes has the government decided not to allow access to the Atlantic Tidal Power Programming Board's investigation of Fundy tides until April of 1975?

2. What national interests could be compromised by allowing access to this documentation?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): 1. The Report of the Atlantic Tidal Power Programming Board, dated October 31, 1969, and entitled "Feasibility of Tidal Power Devleopment in the Bay of Fundy" was tabled in the House on March 24, 1970 and, therefore, is a public document.

2. Not applicable.

ARTIFICIAL MILK

Question No. 375—**Mr. Rodrigue:**

1. Has the Department of Agriculture issued permits to allow the import of artificial milk?

2. What was the amount of artificial milk sold in Canada in 1969?

3. Does the government intend presenting legislation to prohibit the sale of artificial milk?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Agriculture and the Department of Industry, Trade and Commerce as follows: 1. No. The Department of Industry, Trade and Commerce administers The Export and Import Permits Act which controls the importation of certain products. Artificial milk is not under import control.

2. None.

3. No.

REGINA—POSITIONS IN FAMILY ALLOWANCES AND OLD AGE SECURITY DIVISION OFFICE

Question No. 382—**Mr. Burton:**

1. How many positions of "Eligibility and Review Clerk" are there with the Family Allowances and Old Age Security Division Office of the Department of National Health and Welfare in Regina, Saskatchewan?

2. How many of these positions require proficiency in both the English and French languages?

3. What is the description of the degree of proficiency required in each language for these positions in Regina?

Hon. John C. Munro (Minister of National Health and Welfare): 1. There are 27 such positions.

2. Two of these positions require proficiency in both official languages.

3. These positions require the ability to read specialized work terminology, to write letters and bulletins, to understand completely a conversation or discussion and to take an active part in a conversation or discussion.

[Mr. Munro.]

INFORMATION CANADA

Question No. 396—**Mr. Mather:**

1. What is the number of Information Canada centres to be established in various parts of the country?

2. What is the estimated cost of such centres?

3. Is consideration being given to avoiding duplication and reducing costs to the taxpayers by utilizing for public information purposes the existing information centres in Canada i.e. the public libraries?

Hon. Robert Stanbury (Minister without Portfolio): 1. The ultimate number of regional enquiry centres has not been determined. Current plans call for the gradual establishment of centres based on the six existing Canadian Government Publications Bookshops and the development of similar combined bookshops and information centres in those provinces where no federal sales outlets exist at the present time. In addition to the national capital centre, two regional establishments are envisaged for the current fiscal year and four in 1971-72.

2. Using the national capital centre as a base, the initial cost to Information Canada of each regional outlet, including interior design, furniture and equipment may vary from $40,000 to $60,000 depending on location. Rental costs and basic physical alterations, which also vary considerably according to location, age and condition of premises, are the responsibility of the Department of Public Works and would be included in its estimates.

3. Yes.

PERSONNEL OF COMPANY OF YOUNG CANADIANS

Question No. 403—**Mr. Comeau:**

1. What is the salary of the Director of the Company of Young Canadians?

2. What qualifications are required to hold such a position and who sets them?

3. How many persons are there on the Director's personal staff?

4. How many people are employed by the Company of Young Canadians?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. Salary range of the Director of the Company of Young Canadians $20,000-$25,000.

2. The appointment is made by the Governor in Council based on experience and personal suitability for the position.

3. I am informed by the Company of Young Canadians that there are two assistants on the Director's personal staff.

4. I am informed by the Company of Young Canadians that the following people are employed by the CYC: Volunteers, 92; Field Staff, 23; Ottawa Operations, 23.

[*English*]

POLLUTION—ESQUIMALT HARBOUR

Question No. 421—**Mr. Anderson:**

1. Are Canadian naval vessels stationed in Esquimalt dumping untreated sewage into the Harbour and, if so, which ones?

2. Have any measures been taken by the Department of National Defence during the past year to prevent the discharge of untreated sewage by *HMCS Dockyard* into Esquimalt Harbour?

Hon. Donald S. Macdonald (Minister of National Defence): 1. Yes, HMCS *Qu'Appelle, Yukon, St. Croix, Gatineau, Cape Breton, Columbia, Chaudiere, Cowichan, Miramichi, Fundy, Chignecto;* Two Gate Vessels (*Porte de la Reine and Porte de Quebec*) and the sailing yacht *Oriole.*

2. At the present time a comprehensive study is under way in conjunction with the Municipality which proposes a connection to the Municipal Collection System discharging to the Macaulay Point Outfall for final disposal into the ocean. Design is now complete for the new Dockyard and sewage interceptor system, and design is under way for the new Naden and Graving Dock sewage interceptor system.

ARMED FORCES—EDUCATION OF DEPENDANTS OVERSEAS

Question No. 443—**Mr. Anderson:**

Are all schools run by the Canadian Armed Forces in Germany using the same course credit system and, if not, for what reason is this practice not followed?

Hon. Donald S. Macdonald (Minister of National Defence): Yes, all secondary schools or combined schools at the secondary level adopted the credit system effective September 1, 1970. The extent of application may vary depend ng on the size of the school, grade level structures, physical facilities and pupil involvement. At the elementary level pupils are classified by grades where instruction is encouraged on an individual or group basis to meet the particular needs of the pupil.

NATIONAL DEFENCE—REPLACEMENT FOR ARGUS AIRCRAFT

Question No. 463—**Mr. Lambert (Edmonton West):**

1. Has any decision been taken as to the type of aircraft which will replace the Argus aircraft presently in use by the Canadian Armed Forces and, if so (a) when was the decision taken (b) how many aircraft will be procured?

2. What is the total cost of such aircraft, including spares, and what is the schedule of delivery and the anticipated date of operational status?

3. Has any decision been reached as to the ultimate disposal of the Argus aircraft?

Hon. Donald S. Macdonald (Minister of National Defence): 1. No.

2. Cost of each aircraft, including spares, will not be known until the replacement aircraft has been selected.

3. No.

Orders for Returns

EMPLOYMENT OF MRS. GÉRARD PELLETIER BY CBC

Question No. 485—**Mr. Coates:**

1. Is Mrs. Gérard Pelletier presently employed or under contract to the Canadian Broadcasting Corporation and, if so (a) when was the original contract signed between Mrs. Pelletier and CBC (b) what are her duties?

2. Has her contract at any time been renewed or revised and, if so, on what date?

3. What remuneration does Mrs. Pelletier receive from CBC as a result of her employment?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. No.

2 and 3. Not applicable.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

CBC-CTV—CANADIAN AND AMERICAN SERIES CARRIED

Question No. 192—**Mr. Rose:**

1. For the year 1970-71, which American-produced series are to be carried by the private network, CTV, and by the Canadian Broadcasting Company?

2. For the same year, which Canadian series are to be carried by the CTV network and by the Canadian Broadcasting Corporation?

3. For the same years, what series are to be carried by CTV and CBC during the prime viewing time fo 7 p.m. to 11 p.m.?

Return tabled.

BANNING OF FISHING BECAUSE OF MERCURY POLLUTION

Question No. 281—**Mr. Harding:**

1. What rivers and lakes in Canada have been banned for fishing due to mercury pollution and, in each case, for what period of time?

2. What is the estimated loss in employment and fishing revenue due to the ban?

3. In each case, what has been the source of the mercury pollution?

Return tabled.

MOTION TO ADJOURN UNDER S.O. 26

THE CANADIAN ECONOMY

TAKEOVER OF RYERSON PRESS BY UNITED STATES COMPANY

Mr. John Burton (Regina East): Mr. Speaker, I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the failure of the government to

take action to prevent the takeover of Ryerson Press by an American concern, thus adding to the loss of a sector of the economy important to the development of Canadian identity and culture, and the fact that today is the last day on which action can be taken before the completion of the sale of Ryerson Press to McGraw-Hill.

Mr. Speaker: The hon. member for Regina East has filed the notice required under the terms of Standing Order 26. The Standing Order outlines the factors which have to be taken into account by the Chair in determining whether the House should be adjourned for the purpose of such a motion. In fact, Standing Order 26 (16)(a) requires that the matter proposed for discussion must relate to a genuine emergency.

On many occasions it has been determined that the emergency contemplated by the rule implies a new, unforeseen or sudden circumstance which requires immediate consideration by the House. I do not think that the rule applies to situations which have been public knowledge for a number of weeks, as evidenced in this instance by numerous questions asked by hon. members. The first question was asked on October 9. Many other questions were asked since then and answers given, satisfactory or otherwise, depending on the judgment of the hon. members who asked the questions. On November 10 the hon. member for Skeena proposed under Standing Order 43 that the matter be referred to the Standing Committee on Finance, Trade and Economic Affairs.

It will be seen that the matter proposed for discussion today by the hon. member for Regina East can hardly be said to have arisen suddenly and in this sense is not an emergency. The Standing Order also requires that the matter come within the administrative responsibility of the government. There is some doubt in my mind whether this requirement of the Standing Order has been met in this instance.

I also suggest to the hon. member that his proposed motion is along the lines of a non-confidence motion. He proposes to discuss at this time the failure of the government to take certain action. In this sense the hon. member is proposing that the House consider a grievance or that the House consider a non-confidence motion.

For all these reasons I doubt very much that it would be in order at this time for the Speaker to put the motion of the hon. member for the consideration of the House under the terms of Standing Order 26.

ORAL QUESTION PERIOD

NATIONAL SECURITY

WAR MEASURES ACT—INVESTIGATION OF BEATING OF PERSONS ARRESTED

Hon. Robert L. Stanfield (Leader of the Opposition): I wish to direct a question to the Prime Minister relating to the statement made by the Minister of Justice of Quebec over the weekend that some persons arrested under the War Measures Act regulations had been beaten and that he proposed to conduct his own investigation into this. As Prime Minister of Canada is he satisfied that this is an adequate response by the Quebec Minister of Justice to these findings of beatings of persons who were arrested under regulations issued by the government of Canada?

[Mr. Burton.]

Right Hon. P. E. Trudeau (Prime Minister): That is my reaction, Mr. Speaker; it is a satisfactory response. It will, of course, depend on what the response develops into. There have been communications, as usual, between our ministers and the Quebec ministers. For the time being I feel that it is a satisfactory response. If the Leader of the Opposition wants to suggest any other response, I will consider it.

Mr. Stanfield: As the leader of the government does the Prime Minister not consider it his responsibility to make strenuous representations to the province of Quebec for an independent investigation into these alleged beatings in order to assure the people of Canada that an adequate investigation is being made into events that Canadians do not like to think are occurring in Canada?

Mr. Trudeau: Mr. Speaker, I would be prepared to consider the representations of the Leader of the Opposition that he does not have faith in the trustworthiness of the commission of investigation set up by the Quebec minister.

Mr. Crouse: That is not what he said.

Mr. Stanfield: Mr. Speaker, I indicated that I did not think an investigation by the Minister of Justice of Quebec would be independent, at least as we understand the word. I ask the Prime Minister not to twist my words in the way that he has.

Some hon. Members: Hear, hear!

Mr. David MacDonald (Egmont): Will the Prime Minister indicate whether in his consultations, or those of the Minister of Justice or the Solicitor General, with the provincial authorities there has been any suggestion that after the provincial investigation has been concluded some form of public statement will be issued to assure the general population of Quebec with regard to these matters?

Mr. Trudeau: I think that is a desirable eventuality. I will express the hope that it is proceeded with in that way. I am not sure, but I believe there have already been representations to this effect. I will, of course, convey this suggestion to the Quebec Minister of Justice.

Mr. Eldon M. Woolliams (Calgary North): A supplementary question, Mr. Speaker. I believe a couple of days ago I asked the Minister of Justice whether he would consider setting up a judicial inquiry, and I was wondering whether the minister had had some conversation with the Minister of Justice of Quebec with regard to setting-up such an inquiry at the provincial level. Has the Minister of Justice had any such conversation since I asked

that question and, if so, what was the nature of the conversation and the result of it?

Hon. John N. Turner (Minister of Justice): Yes, Mr. Speaker. Since the question was put to me by the hon. member for Calgary North I have had conversations with the Minister of Justice of Quebec. Indeed, again this morning I expressed to him my deep concern at allegations of mistreatment by the police of certain people detained under the regulations promulgated pursuant to the War Measures Act.

I also talked to Mr. Jacques Hebert this morning, who is chairman of the three-man commission appointed by the Attorney General of Quebec to review the conditions of detention of those held under the War Measures Act. I was advised by Mr. Hebert that during the initial few days of the current crisis just after the proclamation of the War Measures Act, when over 350 people had been arrested at one time, there appeared to have been five or six cases of rough handling of accused persons by the arrested at one time, there appeared to have been five or six people of prolonged interrogation. All these alleged incidents, according to Mr. Hebert, apparently took place during the first few days following the proclamation of the War Measures Act when the wide arrests were made.

Mr. Hebert has personally assured me that no obstacles are being placed in the way of his committee, that they have been able to interview any detained person they wish to interview. Every complaint has been transmitted by Mr. Hebert and his committee to Mr. Louis Marceau, the protecteur du peuple, the Quebec ombudsman established under the laws of Quebec. The Attorney General of Quebec advised me this morning that he had authorized Mr. Hebert's committee to have complete access to all persons detained and that it was open to the Quebec ombudsman, who also has complete access, to suggest what indemnity should be paid or what other remedial steps should be taken in the case of anyone who has been unfairly treated.

I have also been advised by the Attorney General of Quebec that the disciplinary committee of the Quebec Provincial Police is investigating any allegations of rough treatment, and I am assured by the Attorney General of Quebec that the proper action will be taken.

Some hon. Members: Hear, hear!

* * *

SOCIAL SECURITY

GUARANTEED ANNUAL INCOME—OLD AGE PENSION COST OF LIVING BONUS—CHANGES IN CANADA PENSION PLAN

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Prime Minister arising out of the income security report which has just been tabled by the Minister of National Health and Welfare. Since chapter 6 of this report seems to be concerned mainly with giving some of the reasons for not implementing a guaranteed annual income, and in view of the statements that have been made by Dr. Willard, Deputy Minister of the department, before the Senate committee, and the majority opinion expressed by the Liberal policy convention the weekend before last favouring a guaranteed annual income, may I ask the Prime Minister whether the government would be prepared to reconsider the whole question of the guaranteed income as being basic to a genuine frontal attack upon the problem of poverty in this country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am informed as regards Dr. Willard that the leader of the New Democratic Party is quoting him very inaccurately; therefore I cannot deal with that allegation.

The other allegation concerning the position of the Liberal delegates at the policy convention two weeks ago I must deal with by stating that at that time they did not have this detailed argument before them. We knew, of course, what the argument would be, and that is why I suggested to them that they study the white paper with an open mind. I know they will do that, but I also hope that the members of the opposition will, though perhaps this is too much to ask.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. In view of the fact that the government has already provided for a cost of living bonus in the pensions paid to former civil servants and former employees of some agencies of the Crown, the armed forces and Members of Parliament and Senators, would the government be prepared to reconsider its decision with respect to discontinuing the cost of living bonus for those who are on the old age security pension? The cost to the government would be relatively small, $14 million or $15 million a year, and in addition it would seem that one group of pensioners is being discriminated against in face of the treatment meted out to other pensioners who come within the purview of the federal government.

Mr. Trudeau: Mr. Speaker, the purpose of publishing a white paper is in order that all these questions be placed in context. We did, of course, consider the alternative suggested by the leader of the New Democratic Party, but we did not accept it because we thought it was more important to help the poor, as we do, than to help the rich, as he is suggesting. The white paper is there and the whole context is now available not only to members of the House of Commons but to the Canadian public. We will therefore wait for discussion of the white paper.

I must say that if it should be the desire of the country to accept the recommendation of the New Democratic Party leader, I hope at the same time they will indicate which taxes should be increased in order to finance this.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask a final supplementary. I am sure the country will be pleased to know that the Prime Minister thinks that anybody receiving more than $140 a month is rich. May I ask a question about the Canada Pension Plan. As pointed out in the report, the federal government must give three years' notice to the provinces of any proposed change. In view of the fact that the provinces do not contribute but have the benefit of access to

the funds of the plan, and also in view of the fact that three years is a long time to wait before making some of the changes recommended in this report, would the government undertake to consult with the provinces to see whether this period of time could be considerably reduced so that desirable changes could be made to the Canada Pension Plan in a much shorter period, preferably in 1971?

Hon. John C. Munro (Minister of National Health and Welfare): If I may answer that question, Mr. Speaker, over the course of the last year or two in informal discussions with the provinces one or two indicated they would be prepared to relax the particular law that requires this notice. If this type of consensus develops as a result of discussions with the provinces on the Canada Pension Plan, then I think the government would be very happy to consider shortening the period.

Mr. Doug Rowland (Selkirk): Mr. Speaker, I have a supplementary question for the Minister of National Health and Welfare. Has the minister made representations to the provincial governments in regard to the advisability of reducing property taxes for pensioners as a means of increasing their discretionary income? If not, is he considering placing that item on the agenda for the next meeting of ministers of health?

Mr. Munro: Mr. Speaker, this may be a matter that can be discussed at these meetings of ministers of both health and welfare, but it seems to me that this is an area that lies exclusively within provincial jurisdiction.

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FISHERIES

SHARING OF MARINE KNOWLEDGE WITH SOVIET UNION—ESTABLISHMENT OF OCEAN DEVELOPMENT AUTHORITY

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I want to address a question to the Minister of Fisheries. Can the minister say if and when Canada will sign an agreement to share scientific knowledge with the Soviet Union? Will the information shared be mainly in the area of marine knowledge, and can the minister indicate in a very general way whether Canada will make a reciprocal response to such arrangement?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, an agreement of a very general kind in respect of scientific matters is under discussion with the Soviet Union.

Mr. Lundrigan: A supplementary question, Mr. Speaker. Can the minister indicate, in light of the recommendations of the Science Council of Canada that there be an increased effort on the part of Canada in the area of marine resources and marine knowledge, whether we are taking any steps toward establishing a Canadian ocean development authority?

Mr. Davis: The answer to the latter part of the question is no, Mr. Speaker.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

BUSINESS OF THE HOUSE

PRE-CHRISTMAS PROGRAM—INTENTION RESPECTING BILLS ON TEMPORARY EMERGENCY POWERS AND AUDITOR GENERAL

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask a question of the President of the Privy Council and welcome him back. I hope he is in good health not only so that he may be better able to bear the slings and arrows of being Government House Leader but also because he might help us resolve some of the doubts that have arisen in the House as to the direction we are going and what the government wants us to do. Could he indicate later this week, in a statement on motions, what will be the likely course of government business from now until the Christmas recess, when that will be, and hopefully whether the government proposes to withdraw Bill C-190. In respect of Bill C-181, does the government intend to abandon further debate on that bill, despite the fact it has been debated for several weeks?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I thank the hon. member for his welcome back to the House. I am delighted to be back and I am somewhat flattered to observe that the House refused to take any important decisions in my absence.

Some hon. Members: Oh, oh!

Mr. MacEachen: Mr. Speaker, I should like to have the benefit of the views of other House leaders before taking any decisions on the course of business. I hope to be able to meet the House leaders later today. As a result of that meeting and later consultations, it might be possible to clarify the program we would like to place before the House between this date and Christmas and to determine what the adjournment date will be as well as any other arrangements which would help to clear up the business we think we must clear up before taking that Christmas adjournment.

Mr. Baldwin: Mr. Speaker, I have a supplementary question to either the Prime Minister or the Minister of Justice. In view of the rumour attributed to the Prime Minister that he intends to abandon further debate on Bill C-181, can he say whether or not this is correct. Is it the government's intention not to proceed further with debate on that measure?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this rumour is not correct and I hope the hon. member will not contribute to the spreading of it.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Prime Minister. I wonder whether he can clear up the persistent rumour indicating that the government, because of the universal editorial condemnation it has received on its Auditor General bill, has decided to turn tail and run but leave the bill on the order paper not to be brought forward for debate at this session?

Mr. Speaker: Order, please. I apologize for interrupting hon. members—

Mr. Hees: Oh, Mr. Speaker—

Mr. Speaker: In spite of the hon. member's plea, I must say it is not in order to ask ministers or the government to confirm or deny rumours or reports. The question can be asked directly, but certainly it is not procedurally acceptable to ask whether or not a statement is correct or true.

Mr. Hees: On a point of order, Mr. Speaker, the rumours have been so persistent during the last few days I think the Prime Minister would like to answer.

Mr. Speaker: Order, please. Even if the hon. member is more persistent than the rumours he cannot ask the question.

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THE CANADIAN ECONOMY

TAKEOVER OF RYERSON PRESS BY UNITED STATES COMPANY

Mr. John Burton (Regina East): Mr. Speaker, I should like to direct a question to the Minister of Consumer and Corporate Affairs. In view of the fact this is the last day on which action can be taken to retain Canadian control of Ryerson Press, will the minister indicate whether the government has reconsidered its previous approach to this matter and is going to take action to prevent this sale?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Yes and no.

Mr. Burton: Mr. Speaker, can the minister indicate whether the government is considering including provisions in its revision of the Combines Investigation Act which would prevent such sales, and can he also indicate when this bill will be available to the House?

Mr. Basford: As I made clear, we are in the course of revising the Combines Investigation Act. Of course, it would not be proper for me to say what will be in the revised Act before it is brought before Parliament.

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AGRICULTURE

INQUIRY AS TO LEGISLATION TO PROVIDE AID TO FARMERS LEAVING LANDS

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct a question to the Minister of Agriculture related to statements the minister has made, the latest before the National Farm Congress, dealing with proposed government financial and other aid to farmers leaving their lands. I wonder whether the minister can give any indication as to when legislation dealing with this matter will be introduced in the House?

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker; I cannot give a precise date but I can repeat the hope I have expressed many times that it will be soon.

Inquiries of the Ministry

FARM PRODUCTION AND DISTRIBUTION—REPORTED STATEMENT BY MINISTER CONCERNING CONTROL

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a supplementary question for the Minister of Agriculture. Is it his intention to introduce further legislation, in addition to Bill C-176, to translate into action the minister's reported remarks, namely that in future all farm production and distribution will be determined by the government, that decisions in this regard will be taken completely out of the hands of farmers and farm organizations, as is done in the Soviet Union?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the minister has never made such a statement and the one press report that I saw to that effect I thought was journalism at its worst.

ESTABLISHMENT OF EFFECTIVE CONSULTATION PROCEDURE

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in view of complaints by provincial ministers of agriculture and farm organization spokesmen that there has been lack of consultation between these organizations and the two ministers involved in agricultural policy, can the minister assure the House that proper or workable consultation procedure will be set up between the federal government, farm organizations and provincial governments so there may be some understanding between them on the formation of agricultural policy.

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker. I think the congress we had last week went a long way towards satisfying effective procedure for consultation. Many of the provincial ministers, as well as leaders of farm organizations, indicated to me that this was a very useful exercise in that regard.

Mr. Gleave: I have a supplementary question. In view of reported statements that a program involving the retirement of farmers and, indeed, substantial acquirement of land is to be followed, has there been consultation with farm organizations and leaders on this program? Will this type of consultation be followed before such a program is started, so that we will not need another congress to discuss it after it has been in operation.

Mr. Olson: Mr. Speaker, it seems to me that one of the most useful ways to have consultation is for one side or the other to put forward a proposal. When I have a proposal which will set out the policy as far as the federal government is concerned, obviously and naturally we will put it to the provincial governments and farm organizations in order that they may give us their views.

Mr. Speaker: Order, please. I suggest we should not get involved in a debate, but before going to another subject the Chair will recognize the hon. member for Lambton-Kent.

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I should like to direct a supplementary question to the Minister of Agriculture. In view of the comment he just

made about the terrible reporting of his statement I wonder since we have Information Canada now, whether he will try to get the proper position put forward through that organization?

Mr. Speaker: Order, please. I think we should go on to another subject.

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INQUIRY OF THE MINISTRY

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for the Minister of National Health and Welfare. While I congratulate the minister on the white paper he tabled today, I wonder whether he would correct the oversight he made on Friday night, now acknowledged, in that Al Phaneuf did participate in the Grey Cup game, and that he and the Alouettes did a terrific job in bringing the Grey Cup back to Montreal?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I certainly do congratulate the Montreal Alouettes and offer my most sincere apologies to Mr. Phaneuf.

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EXTERNAL AFFAIRS

CANADIAN POSITION ON SALE OF ARMS BY GREAT BRITAIN TO SOUTH AFRICA

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Prime Minister of which I have given him notice. Will he help reconcile the apparent shift in government policy from what I thought was a rather firm position opposing the sales of arms by Britain to South Africa, as set out in the Prime Minister's letter to the Prime Minister of the United Kingdom last July, in light of an answer given by the Secretary of State for External Affairs on this topic in London last Friday night?

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, as the hon. member suggests the position of the government was made known to Mr. Heath in my letter of July and the position remains the same. Because the hon. member was good enough to give me notice of his question, I did look quickly at the article to which I believe he referred. All I can say is that the conclusions drawn in that story obviously are those of the writer. They do not represent the position of the Secretary of State for External Affairs. Naturally, it is our desire that this issue or any issue will not force a break up of the Commonwealth. But to brand efforts to avoid the breaking up of the Commonwealth as waffling or softening is to confuse diplomacy with strident shouting.

Mr. Fairweather: Mr. Speaker, I thank the Prime Minister for his positive answer. Before he leaves for the Conference of Prime Ministers in Singapore in January, I wonder whether he would consider commenting one way or the other on the issue of whether a member of the Commonwealth, in his opinion, may take a unilateral policy decision which could result in a very fundamental change in the nature and make-up of the Commonwealth. I do not ask for a policy statement today.

Mr. Speaker: Order, please. Since the hon. member is suggesting that the comment not be made now perhaps there will be an opportunity for the Prime Minister to do this on motions some time.

SUGGESTION BY SOMALIA RESPECTING ELIMINATION OF TRADE WITH SOUTH AFRICA

Mr. Doug Rowland (Selkirk): Mr. Speaker, this question is for the Prime Minister. Has the government of Canada had an opportunity to evaluate the suggestion put forward by the government of Somalia to the United Nations that South Africa's major trading partners hold meetings to discuss ways and means of eliminating their trade with South Africa and, if so, is the government of Canada considering initiating such consultations?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as I understand the question I take it that the consultations have been suggested by a government and therefore that government has taken the initiative. I see nothing new about it. It is a matter which has been discussed at the United Nations for quite some time; that is, whether or not something should be done about trading with South Africa. The member knows the answer which has been given by the major trading nations.

Mr. Rowland: Mr. Speaker, the question which was put is a pretty specific one. I should like to ask the Prime Minister once again whether the government has examined the specific suggestion made by Somalia that the major trading partners—

Mr. Speaker: Order. The hon. member is repeating the question in exactly the same terms.

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AIR TRANSPORT

BASING OF FARES BY CERTAIN AIRLINES ON CANADIAN DOLLAR PEGGED AT 92 CENTS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. Last week I asked the acting minister whether the government had taken action to deal with the overcharging of Canadian air passengers on international flights originating in Canada. The acting minister indicated the minister would reply as soon as possible.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Well, Mr. Speaker, the matter quite properly was referred to my colleague, the Minister of Transport, and is before the Air Transport Committee of the Transportation Commission. I hope my colleague will have more to say on this matter in the House tomorrow. In the meantime, it is perfectly clear that the present arrangements are due to an international arrangement

through IATA but the fact is that Canadians travelling overseas are entitled to pay for their tickets in United States funds and in that way receive a reduction.

Mr. Dinsdale: Mr. Speaker, is the minister aware that the IATA manual on traffic conference resolutions, as well as the commercial air service regulations, provide for the immediate removal of discrimination of this kind?

Mr. Basford: Yes, but those are matters being looked at by the Air Transport Committee and my colleague the Minister of Transport.

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VETERANS AFFAIRS

INTRODUCTION OF PENSION LEGISLATION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a question for the Minister of Veterans Affairs. Now that the government's white paper on income security for Canadians has been tabled, will the government be introducing legislation to raise the disability pensions paid to veterans and also to raise the level of payments made under the War Veterans Allowance Act?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Mr. Speaker, I hope to be in a position on Wednesday of this week to table veterans legislation. At the same time, I shall make a statement on motions concerning war veterans allowances and veterans pensions.

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AGRICULTURE

INTERPROVINCIAL MARKETING—GOVERNMENT ACTION TO SOLVE PROBLEM

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Prime Minister. In view of the statement of the Hon. Samuel Uskiw, Minister of Agriculture for Manitoba, made at the agricultural congress concluded this weekend to the effect that Manitobans were particularly embittered over the so-called chicken and egg war and the government's failure to enforce the provisions of the constitution to guarantee free movement of goods across provincial boundaries, what action does the government intend to take to rectify this serious threat to the unity of our country?

Hon. H. A. Olson (Minister of Agriculture): Well, Mr. Speaker, this matter was discussed at many of the policy forums held at the agricultural congress. I might say it was also discussed at the agriculture ministers' meetings which were held at the same time. I think the consensus expressed at the federal-provincial conference in September was that passage of some national measure to deal with this problem would be the most satisfactory way to deal with it. That opinion is still the consensus of the ministers.

Inquiries of the Ministry

REGIONAL ECONOMIC EXPANSION

NORTHERN MANITOBA—EXTENSION OF SPECIAL AREA

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Minister of Regional Economic Expansion. I wonder if the minister could say whether any requests have been received from the province of Manitoba to extend the boundaries of the present special area in Northern Manitoba to include the rest of the territory in Northern Manitoba?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I have met with the representatives of the government of Manitoba, particularly the Premier, Mr. Schreyer. There was talk of extending the limits of special and designated zones, but no decision was reached.

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[*English*]

ROYAL CANADIAN MOUNTED POLICE

DECISION ON OVERTIME PAY

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Solicitor General. Can the hon. gentleman advise us concerning the possibility of an early decision regarding overtime pay for members of the Royal Canadian Mounted police?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, that matter is being looked into. I cannot promise the hon. member an early decision.

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PENITENTIARIES

PRINCE ALBERT—INVESTIGATION OF ESCAPE OF PRISONERS AND FIRES

Mr. Frank Howard (Skeena): Mr. Speaker, I, too, should like to direct a question to the Solicitor General. Can he give the House any account of the situation in the Prince Albert pentitentiary?

Hon. G. J. McIlraith (Solicitor General): Yes, Mr. Speaker, I would be glad to do so. Ten of the prisoners who escaped last week have been returned to the penitentiary. One is still at large. Concerning the fires, immediately following the telecast of the Grey Cup game, fires set by a few malcontents broke out simultaneously in the office of the supervisor of recreation located on the south side of the auditorium building and in the library located on the north side of the building. One of the officers on duty was taken hostage by inmates and held for approximately three-quarters of an hour until released by other members of the staff. The damage was quite extensive and a very rough estimate of it is $100,000.

Inquiries of the Ministry

Mr. Howard (Skeena): I wonder whether I might be permitted a supplementary question, Mr. Speaker. In the light of the situation which existed over the weekend, and the hunger strike which took place on another occasion at the penitentiary about a year ago as well as the general tension which has existed in that institution for a period of a year and a half, would the minister be prepared to have a thorough inquiry conducted into the administrative competence of the officials of this penitentiary in an effort to see what might be done to alleviate the situation and ensure that in the future some respect will be paid to the officers employed there as well as the inmates in the institution?

Mr. McIlraith: Without admitting all the premises of the hon. member's question, I should point out that two boards of inquiry are presently dealing with matters at the penitentiary. One inquiry relates to the escape of the 11 inmates last week and the other relates to the fire and damage consequent on it. It would be premature to take a firm position on the question of a commission of inquiry to examine into the affairs of the institution until the reports of those two boards are received; the matter will be considered then.

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POWER

PROPOSED FLOODING OF SKAGIT RIVER VALLEY—DISCUSSION WITH UNITED STATES AUTHORITIES

Hon. Robert L. Stanfield (Leader of the Opposition): I am sorry to bother the Prime Minister, but I should like to ask him whether his government has taken any steps to open discussions with U.S. authorities on the question of the flooding of the Skagit Valley in British Columbia, a matter which I think is of great interest to some of his colleagues as well as to many others?

Hon. Jack Davis (Minister of Fisheries and Forestry): This matter is receiving urgent attention from the government.

Mr. Stanfield: May I ask the question again, since the minister seems to be a little hard of hearing. Have any steps been taken to get the United States authorities to open discussions on the question of the flooding of the Skagit Valley.

Mr. Davis: I think the matter at issue is an internal matter for Canada and one that we must resolve ourselves.

PROPOSED FLOODING OF SKAGIT RIVER VALLEY—NECESSITY FOR CANADIAN PERMIT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I ask the minister if it has been finally established whether or not the Department of Energy, Mines and Resources must grant a permit to the Seattle Light Company before this valley can be flooded, as was suggested by the Secretary of State for External Affairs in a letter which he sent to the hon. member for Fraser Valley West? Has that point been established so that we may know where the responsibility lies, and with whom the decision will lie, with respect to proceeding with the flooding of this valley?

Hon. Jack Davis (Minister of Fisheries and Forestry): This matter is also under active consideration by the legal authorities here in Ottawa.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Since this consideration has been going on now for some ten months, may I ask the minister when we can expect the government to reach a decision with respect to who has the authority to grant permission and what action the government is going to take when it is decided whether or not a permit can be granted?

Mr. Davis: My answer to the question is, shortly. However, I should point out to the hon. member that the project is running into several new obstacles on the U.S. side and that we have more time to consider our course of action.

Mr. Stanfield: When the minister suggested that this was a problem that had to be worked out within Canada, was he endorsing the view attributed to the Prime Minister regarding the way in which the people of British Columbia had to solve the problem, or does he have something else in mind?

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[*Translation*]

AIRPORTS

STE. SCHOLASTIQUE—FINANCIAL ASSISTANCE FROM FEDERAL GOVERNMENT IN BUILDING NEW HIGHWAY FROM HULL

Mr. Gaston Clermont (Gatineau): Mr. Speaker, I would like to put a question to the Minister of Regional Economic Expansion.

As the construction of a new road is contemplated between Hull and the new international airport at Ste. Scholastique, would he tell us if the Quebec authorities have asked for the financial assistance of the federal government? If so, to what extent?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Not to my knowledge, Mr. Speaker.

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[*English*]

NATIONAL DEFENCE

NEGOTIATIONS ON SALE OF ARMS TO FRANCE AND PROVISION OF SUMMER FLEET BASE

Mr. J. M. Forrestall (Dartmouth-Halifax East): My question is directed to the Prime Minister. Perhaps he might be able to enlighten us a little regarding some

suggestions made by the chief of the defence staff last evening on television. Can the Prime Minister indicate to the House whether or not the government has entered into any negotiations with the government of France with respect, first, to the sale of additional arms to that country and, second, with respect to the opening up of one of our defence bases on the east coast for a summer fleet base for the French navy?

Right Hon. P. E. Trudeau (Prime Minister): I am not aware of that. This matter comes under the Minister of National Defence. I will ask him to report to the House on it, if asked, when he next returns.

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[*Translation*]

FISHERIES

CANADIAN SALTFISH CORPORATION POLICY RESPECTING PRICES TO FISHERMEN

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I should like to ask the Parliamentary Secretary of the Minister of Fisheries and Forestry whether he is able to answer a question that I put to him last Wednesday?

[*English*]

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): I am informed that the Canadian Saltfish Corporation was acting under powers given to it under a provincial Act respecting the marketing of salt fish passed on April 28, 1970. In section 2, the provincial Act provides that no person other than the corporation or an agent of the corporation shall buy salt fish. Therefore, no private firm can engage in this trade, even if the price they pay is greater than the initial price paid by an agent of the corporation.

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CONSUMER AFFAIRS

EFFECTS OF POSSIBLE INCREASE IN OIL PRICES

Mr. Max Saltsman (Waterloo): I should like to direct my question to the Minister of Consumer and Corporate Affairs. It arises from the statement made by western Canadian oilmen that they expect an over-all price increase of between 25 and 40 cents a barrel for their product, depending on the government's policies. I should like to ask the minister whether he has been looking into the effects which such an increase would have on consumer prices and, if not, whether he intends to do so?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): I am not aware of the statement but I will search it out and see what ramifications it has for my department.

Inquiries of the Ministry

CANADIAN NATIONAL RAILWAYS

NEWFOUNDLAND—INVESTIGATION OF BUS ACCIDENTS, QUALITY OF SERVICE

Mr. John Lundrigan (Gander-Twillingate): I have a question for the Parliamentary Secretary or the acting Minister of Transport. Could the department investigate the serious accident to a Canadian National bus in Newfoundland yesterday, and could the investigation include several previous accidents, as well as the general quality of the bus transportation system serving the whole province?

Hon. John N. Turner (Minister of Justice): I will get in touch with the Minister of Transport immediately and I hope that when he is in the House tomorrow he will be able to deal with that very serious question.

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CONSUMER AFFAIRS

EFFECT OF NATURAL GAS EXPORT AGREEMENT ON CANADIAN PRICES

Mr. Max Saltsman (Waterloo): I should like to ask the Minister of Consumer and Corporate Affairs whether he has had a chance to check into the effect the recent agreement with the United States on the export of natural gas has had on consumer prices in Canada and, if so, when will he report to the House?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): That is a matter that is properly within the jurisdiction of the National Energy Board. I am not quite sure to what the question refers. The sale was approved by them and the effect on domestic supplies is outlined in the report of the National Energy Board.

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CANADIAN BROADCASTING CORPORATION

HIRING OF UNITED STATES CITIZEN AS PUBLIC RELATIONS OFFICER

Mr. J. Edward Broadbent (Oshawa-Whitby): In the absence of the Secretary of State, I will put my question to his Parliamentary Secretary. Will he see that an inquiry is made of the CBC to determine whether or not all other possibilities were exhausted before a U.S. citizen was hired as chief public relations officer for the corporation?

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): I will pass that question on to the corporation.

Mr. Broadbent: Would he also inquire whether or not this U.S. citizen was, until recently, an employee of the U.S. consulate?

Mr. Speaker: Order, please. Orders of the day.

Canadian National Railways

GOVERNMENT ORDERS

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, GUARANTEEING OF SECURITIES

The House resumed from Friday, November 27, consideration of the motion of Mr. Benson that Bill C-186, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1970, to the 30th day of June, 1971, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Les Benjamin (Regina Lake Centre): We are on the forty seventh year of what I think has become the annual awards day for the Canadian National Railways, awards for their borrowings and their debts. I do not know if this is a longer record than the Academy Awards, but the number of annual awards for the CNR constitute, I think, a record in Canada.

I was disappointed at the manner in which the Minister of Finance (Mr. Benson) chose to introduce this bill, in view of what had been said about the CNR each year, and in particular in the last two or three years regarding its financing problems and CN pensions. One would have thought the minister would have spent a few moments at least expressing government policy, and dealing with some of the questions that have been raised on numerous occasions both inside and outside the House. Instead of that, he chose to spend eight or ten minutes reading what I suggest must have been on the cover of the bill, and then he sat down. This is completely inadequate, and one hopes, however fondly, that before the debate on this bill ends someone else from the government will take part in the debate and deal with matters that were raised in particular last year and again this year.

• (3:30 p.m.)

I choose to call this the 47th annual awards-for-the-CNR Day. It all began in 1923 with the debt that started the company off under an initial financial burden that it can never repay, or at least reduce to a level where it could be met each year out of the operating revenues of the CNR. This continuing debt burden cannot be blamed on the Canadian National Railways. Most of the debt that the taxpayers have met each year can be attributed to the results of public policies which were in effect then, and which are still in effect now.

The evidence is ample that on a year-to-year basis for these 47 years the CNR has been operating efficiently and profitably. In the 47 years its rail operation has shown net rail revenues in 41 of those years, and rail losses in only six of them. In that same 47 years, however, there were only 13 of them when the government of Canada did not have to vote funds for deficits. In the other 36 years, Parliament has voted it a grand total—believe it or not—of $1,123,527,043. That is the total votes of Parliament to clear up deficits. They were not votes for capital expenditures, something which would be perfectly proper. They were not votes for debentures or bonds, or for the purchase of shares in the CNR. Those were the total votes in 47 years just to clear up deficits.

If one takes more recent times, from 1944 to 1969, a period of 26 years, the evidence of an efficient and viable Crown corporation is even more striking. In 23 of those 26 years our company, the CNR, showed a surplus. But after deducting interest on debt our company, the CNR, showed a loss in 21 of those 26 years. When one looks at the interest charges one finds an interesting and maybe peculiar situation. One finds that most of the interest charges are now paid to the government of Canada. For example, interest on debt in 1969, as shown in the CNR's annual report, comes to $74,205,000, but $45 million of that is interest to be paid to the government of Canada. At the same time, in the same year 1969, the CNR surplus in round figures was $49,500,000, and so it would appear that for that year much of the money we were voting for the annual award was money to be paid back to the government.

I know, Mr. Speaker, that something like $4 billion which is owned by the CNR is not of much interest to government members. No doubt they are prepared to perpetuate for another 47 years what goes on with this Crown corporation. And no doubt the Prime Minister (Mr. Trudeau) and other members over there, who are busy gabbling like a bunch of roosters in a chickenless coop, could not care less. But, Mr. Speaker, I hope that there are hon. members of this House who are concerned about it, and who are going to insist that the government do something about it.

I was saying that most, if not all, of the money that Parliament is being asked to vote in this bill for the CNR deficit is money that will be paid back to the government for interest owing to it. Similarly in 1968, interest on the debt of the CNR was $70 million, and again half of that was interest owing to the government of Canada. These interest charges are compounding a mounting debt. The debt is compounded each year by further loans that are used to pay off previous deficits, which include mounting interest charges that we owe ourselves. In the past ten years, the interest on the debt for our company climbed from $49 million to $74 million.

Mr. Speaker: Order, please. I apologize to the hon. member but I must bring to the attention of hon. members that it is extremely difficult to follow the hon. member who has the floor when there are so many conversations taking place. I think hon. members should be prepared to co-operate with the Chair, and with the member who has the floor, a little more than that.

Mr. Benjamin: Thank you, Mr. Speaker. Now that Zorro has left, and maybe left his mark over there, we can continue with what most of us consider to be a very serious matter. I was saying that in the past ten years, interest on the debt of our company has risen from $49 million to $74 million, while in the same period the company's return varied from a low of a $6 million loss

to a high of a $49 million surplus. The total interest bill for 1969 for the CNR amounts to $95.6 million. That includes interest on unfunded debt, the major portion of which is the unfunded liabilities to the CNR pension fund. I am not an accountant, but it seems silly to me to be voting funds each year to the CNR to clear up deficits when much or even all of the deficit each year can be attributed to the interest that the CNR owes to the government of Canada. In other words, we are voting money to pay back to ourselves.

One way out of this dilemma is for the people of Canada, through the government which is the major holder of shares and of the debts of the company, to forget about getting any interest or dividends until such time as the CNR's financial position is such that it will enable it to make returns on the investment of the people of Canada. Surely there are other kinds of returns on investment that are just as important or even more important than monetary returns. Surely, the best return which the people of Canada can have for our investment in the CNR is in an efficient, comprehensive, national railway system providing maximum service to our people. I submit that this kind of profit is much better than any monetary profit.

It is obvious that as long as we put a monetary return on investment ahead of a return through public service we prevent our national rail system from functioning in the manner we need and want. As long as we insist that charging and collecting interest are more important than better rail transportation services, then the CNR railway services and financial position will continue to deteriorate. We cannot continue this kind of financial structure for the CNR and expect to maintain and improve the services we receive from our rail transportation system. We cannot have it both ways.

One way out of the dilemma will require a fundamental change in the attitude of the government and a fundamental change in our national transportation policy. The government and all of its predecessors have continued transportation policies that are based on the private enterprise myth of competition and profits. I submit that that is what has got us into our transportation difficulties, and what perpetuates and compounds those difficulties now.

Railways, by the very nature of their operation, are an essential public enterprise operation. They are not competitive private enterprises. Therefore, they are a public utility and, Mr. Speaker, public utilities should be publicly owned. The aim of those utilities should be service for the people at the lowest possible cost, with profit something very secondary. National transportation policies, especially where they affect railways and airlines, based on private profit and competition principles, are illogical. It is economic nonsense to have competition amongst public utilities. If present government policies and attitudes toward air and rail transportation are logical, then it would be logical to have competing sewer and water systems, and it would be logical to have competing street and highway systems. Since no one with any sanity would propose such a thing, surely it is time to get rid of private enterprise and competition principles in policies for rail and air transportation in Canada. The application of competition and private enterprise principles to airlines is eroding the capability and viability of Air Canada.

• (3:40 p.m.)

One would have thought we would have learned our lesson, Mr. Speaker, from the mess we got into with our railways for the past 80 years, but no, we have continued along the same path. In years to come I predict that we will be facing a situation with regard to Air Canada similar to that facing us now with regard to Canadian National Railways.

All over the world airlines are in financial difficulties, mostly due to the fact that too many of them compete for the same traffic. This, combined with the large amount of capital required for planes, means that they cannot all survive or, if they are to do so, they have to be heavily subsidized by the public. I submit that we are sending Air Canada down the same route as we sent Canadian National Railways and the other railways prior to its formation. To allow Canadian Pacific to participate in the most lucrative air passenger traffic in Canada, transcontinental traffic, and to allow them routes where there is only sufficient traffic to support one viable and efficient airline means that the two airlines will not do nearly as well. Handing more and more routes over to a multiplicity of private regional carriers is to limit Air Canada.

One ridiculous example of this, Mr. Speaker, is giving TransAir one of the ten most lucrative routes that Air Canada formerly serviced. This hurts Air Canada but it helps some friends of the government, namely a former executive assistant to a cabinet minister and a defeated Liberal candidate in a recent byelection as well as others. TransAir was heavily subsidized by the government while it messed around trying to give air service in the Prairie provinces, but it never did accomplish much. Those TransAir services are now reduced to the point where they don't count, although they now have that going route from Winnipeg to Toronto through Thunder Bay and Sault Ste. Marie. This multiplicity of companies, all heavily financed—

Mr. Osler: Mr. Speaker, on a question of privilege—

Mr. Speaker: The hon. member for Winnipeg South Centre seeks the floor on a question of privilege.

Mr. Osler: Mr. Speaker, as a member of the party involved in the byelection referred to a moment ago, I want to make it abundantly clear that the gentleman whose name was not mentioned but was alluded to, had no connection whatsoever with TransAir until after the byelection. I do not see any reason why the two things go together.

Mr. Speaker: Order, please. This is a point of debate and not a question of privilege.

Mr. McCleave: He was paid now but flew later.

Mr. Benjamin: Mr. Speaker, I am sure the hon. gentleman now wishes that he had not brought up the subject. Suffice to say that the comment he made is answer enough.

This multiplicity of companies, all heavily financed and pursuing a limited volume of air traffic, is suicidal. The only result will be severe financial difficulty for a number of airlines in the future. Will we keep this up until we find the people and the government of Canada being called upon to bail out several bankrupt airlines? Surely, this is a classic case of history repeating itself. One only has to go back to the period 1880 to 1923 when everybody wanted to get into the act, particularly the wealthy friends of the government of the day, and build a railway. We had railways of a wide variety and kind, and with the exception of Canadian Pacific—we gave them enough to make sure they survived—they went bankrupt. If we did not learn from that lesson when are we going to learn?

I submit that we are following exactly the same pattern with regard to air traffic and airline policies as we did back in those days regarding railway policies. If we are to have an efficient and viable national transportation system by rail and air, it will require a fundamental change in the thinking and attitude of the government. It will be necessary to indicate that service takes priority over interest charges.

Speaking of service, Mr. Speaker, I for one do not put all the blame for the deterioration of service on the CNR management. With the kind of financial situation they have faced since 1923, no matter how worthy their intentions, they have had no option but to reduce service. One should give them full marks for making the maximum effort in attempting to improve and enlarge passenger services and passenger revenues as they have. It is probably the only railway in North America that increased passenger revenue and revenue miles between 1960 and 1969; in fact, in that period they almost doubled.

When you have a national transportation policy that places greater emphasis on interest charges and on making sure that bond holders are looked after rather than service to the public, then services are going to suffer. Since the end of World War II we have seen a reduction in train service. Some of these reductions were legitimate, the result of technology, particularly in the case of diesels. The discontinuance or reduction of passenger service lowered the volume of traffic and meant smaller revenues. Then, we saw the closing of railway agencies and ticket offices, followed by the abandonment of whole railway lines and railway subdivisions. Under this bill, though, money could be borrowed to build branch lines for mining corporations and the like, but never mind the public of Canada.

This has been the pattern followed by Canadian National Railways, and even more so by Canadian Pacific Railways, as well as railways in the United States. In considering railway costs, we must not forget to count the cost to our nation and our economy of the reduction of rail services. As a former railroader I readily admit that a few of the branch lines were superfluous, but a reduction of the scope proposed by CPR is unwarranted. I do not think the cost of that action has been considered by this government or the provincial government.

If one were to consider the cost of up-grading municipal road systems to accommodate traffic that would otherwise have travelled on railway branch lines, Mr. Speaker, it would amount to hundreds of millions of dollars. These costs have not been weighed against the cost of maintaining railway lines. Before more branch lines are abandoned, agencies closed or passenger trains discontinued, I think that the government, parliament as a whole, the Standing Committee on Transport and Communications and even the Canadian Transport Commission—although I do not think that body will do what I suggest—ought to look at the question of costs and determine what the total costs are in this area for all of Canada. It seems to me that we can make a more imaginative use of our rail transport and communications systems, and other transport systems such as trucking firms. In the towns or villages that have a population of 500 or more, why should there not be a transportation and communications centre? There, if you wanted to do so, it would be possible to make a telephone call, send a telegram, or send a telex message. Shipments arriving either by truck or rail would arrive at such centres. If you wanted to ship out goods by rail, road or any other transport system, you could ship them from such a centre. There, an interested person could have access to tariff information, to teletype facilities and to computers that might be located in cities such as Montreal, Calgary or Toronto.

• (3:50 p.m.)

An hon. Member: Or Regina.

Mr. Benjamin: Or Regina. Most facilities of this kind are being discontinued in areas around that city. Most of these small communities have lost their post offices; many have already lost their station agents but both of them have gone. Few of those centres have any sort of permanent truck depot, and none of them have immediate access to air transport facilities. The establishment of such centres would make available to the Canadian people such national transportation facilities as are available. I have thrown out that idea off the top of my head. Perhaps this would not be a practical suggestion for towns or villages with a population of 500; perhaps it would only work with centres of 1,000 people and more. Yet, it seems to me that that is the kind of facility which would make available to all Canadians the benefit of the different kinds of transportation and communications systems in the country.

In speaking about reduced train services, may I say this: it has been brought to my attention today that the Canadian National management intends to replace the passenger trains now operating between Ottawa and Montreal with dayliners. I understand this affects all present passenger trains, except the transcontinental service. All other trains will be replaced with dayliners. If my

information is correct, this means the elimination of parlour cars and dining cars on the Ottawa-Montreal run. Of course, as we know, a dayliner is a sort of glorified bus on rails. It is my information that these changes are scheduled for February 1, next year. The trains to be affected are No. 31, which leaves Montreal for Ottawa daily at 8.10 a.m.; No. 131 which leaves Montreal on Sundays only at 10.15 in the morning; the west bound train No. 30, which leaves Ottawa for Montreal at 7.40 in the morning and No. 36, which leaves Ottawa for Montreal at 4.40 every afternoon. On this train you can obtain dining car service, buffet service and, for all I know, bar service. Not having travelled on the train, I have no personal knowledge about that. My information is that these services are to be suspended as of February 1.

If these reductions go into effect, first class rail passenger service with meals between the nation's capital and the largest city in the nation will disappear. The Canadian Pacific Railway already has pulled off its additional trains from the same route. I hope that every member of this House, and in particular all those members who are from Ottawa, Montreal, the area beyond Montreal and who represent that area between Ottawa and Montreal, will raise hell about this during the present debate. Of course, if my information is not correct, I will be happy to be corrected. If my information is correct, I hope that the members most affected and their constituents, will see to it that the matter is raised loudly and vigorously during the debate on this bill.

I now come to another matter that was raised by the hon. member for Winnipeg North Centre (Mr. Knowles) who opened this debate on behalf of our party. I am sure members of all parties will say something about this, and I intend to take my turn in doing so. I am referring to the pensions of retired CNR employees and to the CNR pension plan generally. You will recall, Mr. Speaker, that one year ago almost to this day, a debate began on a bill similar to this one for CNR financing. In that debate, Members of Parliament on all sides of the House persuaded the government to give a commitment that CNR financing and CNR pensions would be referred to the standing committee which would study these matters and make recommendations to this House.

We were all very happy that the government agreed to do this, Mr. Speaker, and I, having been a member of that committee, wish to say that it was a very good committee. I am sure it must have heard between 40 and 50 briefs. That is only a guess on my part. Possibly there were more. It sat dozens of times and spent hundreds of hours on this item. One cannot say that those members who served on it were docile Members of Parliament. There was the hon. member for London East (Mr. Turner), who is a railroader. There was also the hon. member for Moose Jaw (Mr. Skoberg), who is a railroader. There was the hon. member for Crowfoot (Mr. Horner), who is not a railroader but who can make as much noise any day as a railroad. The committee consisted of men like that. I, too, an ex railroader was a member of that Committee. All of us had some knowledge of railroading and we all knew a little about pensions. In addition, we were served by an excellent staff. The Chairman of the committee did an excellent job and excellent briefs were presented to the committee. Believe it or not, and I was prepared to bet one year ago that this would not happen, the committee presented a unanimous report.

Not believing that that would happen, the hon. member for Moose Jaw and I were quite prepared to bring in a minority report. Nevertheless, that committee brought in a unanimous report which speaks well not only of the committee but of the soundness of the case put forward by the CNR employees and pensioners.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Hear, hear.

Mr. Benjamin: Only because the case of those men was so good and so strong did the committee bring in a unanimous report. In the discussions we had during the drafting of that report, we became aware of the unanimity of members from all corners of the House. There was a singleness of purpose in the minds of all members. We adopted the report unanimously; it was presented in this chamber and, again, wonder of wonders, something happened which rarely happens. When that report was submitted to the House, it was adopted by this House unanimously. That took place under circumstances even more rare, circumstances that I am sure Mr. Speaker would wish to see repeated. The report was so adopted without debate. Yet, despite that, Canadian National Railways has refused to act on that report. It ought to be pointed out that while the committee was drafting that report, Canadian National Railways through its vice president, Mr. Tarr, saw fit to announce some pension plan changes which in my opinion were very minor and totally inadequate. I repeat here what I said before the standing committee: that was a deliberate attempt by the Canadian National management to undercut the committee and head off its report. It was an insult to that committee and an insult to Parliament. Worse still, it was an insult to the CNR pensioners.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Hear, hear.

Mr. Benjamin: I hope that either the committee, the Minister of Transport (Mr. Jamieson) or the government will censure the CNR management, and censure particularly the vice president, Mr. Tarr, for the way that committee was treated and for the cavalier attitude expressed by the CNR towards a unanimous report which was adopted by Parliament. I hope that the message gets through to them very strongly. I hate to say this, Mr. Speaker, because I have a great deal of admiration and respect for the management of Canadian National Railways. They have operated that railway extremely well in the face of horrible odds.

• (4:00 p.m.)

With regard to the matter of pensions for employees, Canadian National has acted little better than the best of

railway pirates, namely the Canadian Pacific Railway. Because this is a publicly owned corporation, it is more responsible to Parliament and the people of Canada than a privately owned company. It is incumbent upon the management of the CNR to act in a better way than this. In fact, it is incumbent upon them to set an example for private employers in the transportation industry.

The cavalier attitude of the CNR toward Parliament needs to be dealt with by this government and by Parliament. I hope that members of all parties agree that this bill should not pass until such time as the government requires the CNR to implement the report of the Standing Committee on Transport and Communications with regard to CNR pensions. If the CNR refuses to do the right thing, Parliament will have to require them to do what is right or act on their behalf. It is not too late for Parliament to make fundamental changes in our transportation policies in order to give greater priority to public service and public needs and less priority to the financing and the needs of financiers.

When the CNR began operations on January 21, 1923 the company debt was over $2 billion. Since that time, $1.8 billion has been added to that debt. The Canadian public owns almost all of the shares of the company. I am interested in knowing who still holds the $4 million of capital stock. Who are these stockholders and how long have they held these stocks? In which subsidiary companies are these stocks? I have been unable to acquire this information through my own resources, but I hope it will be given to the House. It will certainly be requested in the standing committee.

Another small item to which I wish to refer is typical of what has been allowed to happen to the finances of our railway system. There is over $2 million worth of debt held by the public which is a perpetual debt with 5½ per cent interest. I thought that perpetual bonds went out in the days of Queen Victoria. Maybe that is when these bonds were issued, I do not know. If so, it is time to repeal these last vestiges of the Victorian age. I would like to know who holds these bonds. Where are they? Are they held in subsidiary companies of the CNR? Are they perpetual bonds of the old Grand Trunk Pacific, Grand Trunk Northern, Canadian Northern Railways or Canadian Government Railways? The amount involved is only $2 million, but perpetuity is a long time. To receive 5½ per cent interest forever is pretty good, if you can live that long. I doubt whether they are held by individuals. If so, they will be unable to collect in perpetuity.

If these bonds are in the hands of some institution, I do not think it will be driven into bankruptcy or made a social welfare case if Parliament enacts legislation wiping these bonds off the books. If they were issued 50 or 75 years ago, we should determine the total amount of interest paid. If it amounts to more than the principal, that is a pretty fair return on the investment and the bonds should be recalled. These are some of the questions I would like answered. I hope we get the answers either in this chamber or in the standing committee.

I recommend to all hon. members a Dominion Bureau of Statistics document issued in September, 1970, catalogue No. 52201. It is entitled, "Canadian National Railways 1923 to 1969". I commend this booklet to all hon. members. Because of my ignorance of accounting procedures and terminology, I spent a week end trying to understand it. I may have misread or misunderstood some of this. If so, I hope someone will straighten me out. I hope all members have a copy of this booklet when the annual report of the management of the CNR is presented next spring. We need to get the message through to the management of the CNR that all members of this House want to be very helpful with regard to the company's financial obligations and liabilities. I am sincere in saying that. It is time the management of the CNR told us what they think should be done about the company's financial position. We could use this information.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his time has exp red. The hon. member can only continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Benjamin: Thank you, Mr. Speaker. During the debate on the annual awards to the CNR, I ask hon. members on both sides of the House to give the matter of the CNR financing the closest possible scrutiny. It will be helpful to the committee when dealing with this bill and when dealing with the CNR annual report. It will also be very helpful to the CNR. Much more information is required, even more than is contained in this very thorough document. I hope the management of the CNR will be anxious and willing to supply us with the information which we request. With regard to that matter and to the matter of CNR pensions, on which the committee report was unanimously adopted, I hope that all members will attempt to get the message through to the CNR and the government.

Mr. Deputy Speaker: The hon. member for Wellington-Grey-Dufferin-Waterloo.

Mr. W. M. Howe (Wellington-Grey-Dufferin-Waterloo): It appears that even the Deputy Speaker is not able to get the name of my riding correct. It is Wellington-Grey-Dufferin-Waterloo. I must ensure that the right names are used.

We are happy to note that today the government brought in its much heralded white paper on income security for Canadians. We certainly hope that vehicle is going to be carried forward and that the unanimous and detailed report presented by the Standing Committee on Transport and Communications with regard to the needs of retired Canadian National Railway employees was given every consideration during the preparation of the white paper. Although I have never been employed by a railroad, I did for many years live in a town where railroading was a way of life. Many employees of Canadian National who worked during the depression years are now pensioners, and they are having a very

difficult time making ends meet at a time when very little emphasis is placed on controlling inflation.

• (4:10 p.m.)

I welcome this opportunity that comes annually to speak about CN affairs. I should first like to make another plea to the Department of Transport to consider favourably the site I have proposed in Amherst township, in Dufferin county, for the new international airport to be built northwest of Toronto. This is a site that has a lot to offer. For example, not too many people will be displaced; the price of the land will be comparatively low; and it has good access to Toronto, Hamilton, London, Kitchener and Waterloo. This is a site that I feel should receive special consideration.

I was a little disturbed last week when I heard that one of the problems that might arise in this area is that there is no strongly flowing stream to carry away pollutants from the sewage and lagoon systems that might have to be constructed to cope with the expected approximately 100,000 people who would live there. I sincerely hope that by the time the proposed airport becomes operational this government, through the work of its National Research Council and as a result of the research undertaken by other government departments, will be in a position to introduce a recycling scheme that will make it possible for inland towns to promote and develop airports, as in this case, and industries.

To return to the main theme of my remarks, members from western Ontario have spent a lot of time in this debate discussing railroad matters. On November 1, all passenger rail traffic was discontinued in the very important and developing area north and west of Guelph and west of Stratford. At that time we felt that we might have lost the battle, but this does not always indicate that we have lost the war. This debate provides us with an opportunity of further discussing the developments that might take place in this particular area. We fought Canadian National Railways in this regard for many years. I have always felt that the Board of Transport Commissioners gave us a fair deal. I think sometimes we received better consideration from them than we have from the National Transportation Commission.

Looking back to the railway bill brought into the House by the minister of transport of the day, who had squirmed himself into this House from his many positions in the civil service, I can recall that this was not the first legislation he introduced which was controversial and which he had difficulty putting through the House. I am very glad to say that our party did not support that bill on the final vote. The National Transportation Act was to be the be-all and end-all of our transportation problems. It was going to unfold a great new transportation policy, one which I am still waiting to see. In fact, I think this legislation opened the door to the railways to close branch lines which, in a lot of areas, should still be continued.

As I have mentioned before, the inconsistencies in the decisions of the commission are outstanding. The other day the hon. member for Esquimalt-Saanich (Mr. Anderson) mentioned the fact that the railway line in his area had not been discontinued. We noticed that, according to news articles, the CPR had discontinued it because people had to ride in baggage cars, stations were filthy and the scheduling was bad. However, the transportation commission ordered the CPR to continue operation of that line.

Let me refer once again to the hearings that took place during the Easter holidays last April in Owen Sound. One of the things pointed out to the Canadian Transportation Commission on that occasion was the fact that the CPR should upgrade its services and improve accommodation on the trains. Talking of riding in baggage cars, I have ridden in the baggage car of the rail liner that runs out of Guelph simply because there was not room for me in the rest of the car. This has happened weekend after weekend. Certainly, people who had to ride in the baggage car would look for alternative transportation the next time. A public relations job on the part of the railway was needed here. The last speaker said that rail liners are going to be run from Ottawa to Montreal. I suggest that if they are no more comfortable than the rail liners in my area, it is not going to be long before people will refuse to ride on them, too. Consequently, more pressure will be put on the highways of the nation to accommodate those who would like to travel on the railroad but find the accommodation so uncomfortable that they look for an alternative.

I am also getting tired of hearing this phrase "uneconomic branch lines". It is not only the railways that are uneconomic. For example, what about the CBC, many government departments, and especially the Department of National Defence with its aeroplanes that go straight into mothballs? How far do we continue this process of lopping off services that do not pay? The railroads have not devoted enough research into providing alternate means of travelling on the railroads. This is a matter I mentioned before and which I will keep on mentioning until I am told that it is economically and mechanically impossible.

There are miles of railroad lines across this country which are being maintained and, in fact improved. For example, in my area a new nuclear power project is being constructed at Douglas Point. Part of the money provided by this bill is for the construction of a new branch line from Hanover to Southampton and then up to Douglas Point. Once a day or once a week a train will carry oil to power the heavy water plant until enough steam is provided by the plant to enable it to be self-sufficient. That line is going to pay because the railroad would not put it in if it were not. The weight of the rails is being increased all the way up that line, and it will be ploughed all winter long. Why will this line be kept in service? Will it be only a 5 per cent or 10 per cent usage? If I were in the provincial government and the railway company applied for more PCV licences to operate their express trucks up there, I would ask them if they had ever tried putting those trucks on the rails which were not being used. I would ask them whether they had thought of putting on buses for the people to use. They

would be much more comfortable than the old rail liners. I would ask them whether they had done any research in this regard.

• (4:20 p.m.)

I have a pamphlet which indicates that some experiments were conducted several years ago in the United States in this regard. Why is the Canadian National now considering the operation of these big turbo-trains between Toronto and Montreal which will cost millions of dollars? Do we know that these are going to pay? I suggest they may or may not. By the same token, I do not think the rail passenger service in this nation ever did pay, but this was only a small part of the total railway picture. This was part of the service the railway companies promised to give, not just at the time but in perpetuity. These companies made promises when they were given franchises to operate railways in this nation and they should be held to those promises, particularly in the populated areas. The people deserve rail service and these companies should reconsider their position. I hope they will spend a little more money in researching the feasibility and bringing into operation those things I have mentioned.

Why should all the provinces of Canada be faced with such heavy transportation costs and continue to subsidize the buses and trucks being used by the railway companies? The railway companies have not discontinued their freight and express service in this area. This service must be paying, so the very same people the companies said they were losing money on are still helping increase the revenues of these companies. I agree with an earlier speaker that the management of the CNR has done a fair job of showing a profit in the past couple of years and in reducing the deficit which has to be paid by the government of Canada.

I should also like to refer to the agreements which were made and the things which were given to the railways. It seems to be almost impossible to find the agreements made with the CNR but I imagine they were made on the same basis as the agreements with the CPR. These were the promises made by the companies. The company undertook to build a transcontinental railway by May 1, 1891 and from thereafter and forever maintain, work and run this railway. I have a very interesting little pamphlet entitled "The Federal Railway Land Subsidy Policy of Canada". It is rather interesting to note how much was given to the railways in those days, not only in the way of money but in land. In fact, in one area of Manitoba, for every mile of railway completed the company was given 6,400 acres of land. That was of great assistance and those gifts of land would be worth a lot of money today. I maintain that if the railway companies made an agreement with every town and village through which they run to provide service, they should continue that service as long as there are people to be served. Instead, they are now being allowed to cut off their service.

I have the feeling that in every one of those communities through which the railways run there is a lot of land which was given to them which they still own. Much of this land could be used by these communities. I know of one town in which the CNR has five acres in the most expensive area, and the company proposes to develop the land itself. When the railway companies came to these communities and asked for permission to run services through them, the communities were very happy, but by the same token they are very unhappy to see these services eliminated. I sincerely hope that as time passes some of these things I have mentioned will be considered.

There is one other thing that bothers me, and that is the fact that at practically every hearing the companies have appeared with a great many figures showing how they arrived at a loss position. We asked for an independent audit, but in many cases we were never able to get one. We often felt there were times when the companies charged too much of the operating cost against the passenger services they wanted to discontinue. Even after the Canadian Transportation Commission took over and was supposed to audit the figures of the CNR before they were presented at the hearings, we were not happy with the idea that this was such a financially poor service the companies should be allowed to get out.

When we look at the amount of money being voted each year to this Crown corporation we wonder about the auditing. I have here the Canadian National Railways System Auditor's Report to Parliament for the year ending December 31, 1969. It is not a very large document and it certainly does not go into much detail. If we wanted to find out what was going on in respect of the passenger service in the Bruce Peninsula, it would be impossible to find any figures in this auditor's report to Parliament. Through the years we have been finding areas of government which should probably be examined. In view of all these things, I feel it would be important to all Canadians to have this immense Crown corporation, which plays such a great part in the cost of living of everyone in Canada and is borrowing money from the federal government, brought under the Auditor General. The figures of the company should be presented to him and he should present a yearly report of its operations to this House.

Therefore, Mr. Speaker, I move, seconded by the hon. member for Moncton (Mr. Thomas):

That Bill C-186 be not now read a second time as, in the opinion of this House, the making of financial guarantees or grants to the Canadian National Railways without the appointment of the Auditor General of Canada at least as a joint auditor of the CNR is not a principle that this House ought to support.

• (4:30 p.m.)

Mr. Deputy Speaker: Order. The House has heard the amendment moved by the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Howe). If hon. members agree, I should like to consider this matter and discuss it with Mr. Speaker before putting it in a formal manner. I know that at least one other hon. member wishes to deal with the main motion. If this is agreeable, I shall reserve my decision for the present.

Mr. Ross Whicher (Bruce): Mr. Speaker, it certainly is a pleasure to follow the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Howe), particularly on a subject such as this. This is a matter about which he has spoken on many occasions over the years, not only in the House of Commons but in the areas of Canada which he represents so capably. I must say that because of his speech my remarks will be shorter since many of the comments he made are those which I would have made.

I believe it is high time you and I, Mr. Speaker, as parliamentarians, decided who is responsible for transportation policies in Canada. We should decide whether it is the railways or the House of Commons. As the last speaker and others have said in this debate, although we are dealing merely with the Canadian National Railways in this bill as well as Air Canada, one cannot differentiate in respect of the CNR and the Canadian Pacific Railway in this connection. While it is necessary that the CNR each year ask Parliament for funds, the CPR received millions and millions of dollars as a result of agreements drawn up years ago. In addition the CPR was given millions of acres of land by the people of Canada. This money and the land were given to the CPR by the people of Canada in return for the provision of railway service for ever and ever. Because of this, this money has been going into the coffers of the CPR every year. Since the CPR is a private enterprise corporation, it does not have to come to the House each year to ask for money as is the case in respect of the CNR.

I should like for a moment to review some things which occurred many years ago when the railways began opening up the hinterland of Canada. Sir John A. Macdonald realized that in order to unite Canada it was necessary to have a railway system extending from Vancouver through to Halifax. Therefore, he and the financiers of that day, along with his associates, began thinking about how such a railway system could be started. Apart from having the brains to realize the necessity for such an undertaking, it was necessary to have the required money.

Many meetings were held and agreements were drawn up. By and large, the agreements were to the effect that the people would provide the money and the railways would provide the services for all time. In connection with the Canadian Pacific Railway, we find that this railway was given $25 million. That was a large amount of money in those days. In addition, the railway was given 25 million acres of land. In return, the Canadian Pacific Railway was to build lines right across Canada and in various other areas of the country. Those services were to be provided for all time. The arrangement in respect of the Canadian National Railways was similar although it was financed by the Government of Canada. The railways were financed by hundreds of municipalities across Canada. This includes municipalities such as those in the riding of Bruce which I represent. The agreements provided that one municipality would advance $20,000, another $25,000, another $30,000 and another $40,000. In return for this money provided by the various municipalities, the railway was to provide railway service to these municipalities for all time.

It may be that in certain circumstances some corporations, provinces or municipalities should be permitted to renege on a contract. It may be, for instance, that in certain areas of Canada a railway system today simply does not pay. It may be also, if Parliament so wishes and agrees, that the railway should be allowed to withdraw services in certain areas. However, if that should be the case, I suggest that when one reneges on a deal the other side of the story should be taken into consideration. In other words, the municipalities across Canada who signed agreements in the first instance with the railways should have the money they paid returned to them. Is there anything wrong with such a suggestion? Surely, this is the manner in which private business is conducted. Surely, also, if I have a parcel of land which I exchange with someone for services rendered, if those services should cease it is only right and proper that the parcel of land should be returned to me.

In the areas which I and other hon. members represent, it would appear that the CNR is no longer providing the services but is selling the lands that were given to it at a profit. At least, this is what the railway is attempting to do in the riding of Bruce. The hon. member who spoke a few moments ago mentioned the Douglas Point project. This is one of the largest projects from a financial point of view by any government agency in Canada. It involves an amount in excess of $1 billion. The Canadian National Railways system is strengthening its tracks and so on, as well as improving its freight service. At the same time, however, the passenger service is being cut off through the whole area. The City of Owen Sound, with a population of approximately 19,000, and the immediate area with a population of 15,000 or 20,000, were left without rail passenger service as of November 1, 1970. Let us give the railways the benefit of the doubt and let us also assume that the Canadian Transport Commission did not make a mistake in cutting off passenger service in this area. Then, let us look at the deal that was made by the railway with the municipalities and let us consider the lands the railway received in return for providing service for all time to the people in that particular area.

Only a week or so ago, a motion was passed by the Bruce County Council. A copy was sent to me, the Canadian National Railways and to the Canadian Transport Commission. This motion, in effect, places the cards right on the table. Although I hesitate to mention in this House of Commons things which happen in a particular municipality or riding, nevertheless I shall refer to this motion because it hits the nail right on the head. That is exactly what we want to do. The motion which was put through reads:

• (4:40 p.m.)

That all lands in railway rights-of-way owned by either the Canadian National Railways or the Canadian Pacific Railway, which are no longer in use, be returned, without charge to the municipalities.

That motion was passed by the municipal council and it puts in one sentence exactly what should be done here in Canada. The CNR has called off the deal, so the municipalities should have the right to call off the deal

also. We want the land back. The hon. member for Wellington-Grey-Dufferin-Waterloo pointed out the various fields in which the railways have been successful, such as the hotel business and the gas and oil business, in which the CPR in particular has been so successful. Certainly, the railways can bring wheat across the country when we make large sales to China, the U.S.S.R., or some other country. In many instances, they provide services all over the world. But they have forgotten the people who pay the bill, namely, the citizens of Canada.

I hope that when the time comes for the CNR officials to appear before the Standing Committee on Transport and Communications these points will be brought out very strongly. Those people who travel to the Grey Cup and football games throughout the year cannot use the wonderful services about which the railway companies boast, such as the very best of refrigeration, etc. The Canadian Pacific Air Lines have an aircraft called the "Executive" which travels across Canada on which they have the prettiest girls in the world. On this flight you can use business machines of various types, you can get any type of magazine as well as the finest food in the world, but if you want to go 500 miles on a railway passenger train, in many instances you cannot even get a sandwich. In my opinion, the railways have purposely put themselves out of the passenger business.

I would like to add one thing in closing. At the hearings that were held in Owen Sound last Easter—and to all hon. members Owen Sound is a long way away from their territory, but I ask them to listen please because this is going to happen to them also—it was pointed out by the railways that the bus companies would take over. I say, nonsense; they are not taking over at all. From little towns like Port Elgin, Southampton and Kincardine you have to travel 300 miles to get to the city of Toronto. I say to hon. members: do not swallow all this nonsense about getting service after the railways close down. That is all I wish to say on this occasion. I would just ask hon. members who are on the Standing Committee on Transport and Communications to ask the following question of the president of the CNR when he comes before the committee: Do you not think it is fair, sir, that inasmuch as you have reneged on your side of the bargain you should give back the lands to the various municipalities in Canada which gave them to you for the service that you no longer provide?

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, I have been a member of this House for about five years and every year, the government introduces a bill in order to tell us that the CNR is in the red.

Looking at Bill C-186 today, most Canadian citizens would be inclined to believe that things have improved and that they should therefore rejoice. Nevertheless, that company's employees, especially the pensioners, are unfortunately the victims of conditions that are far from good.

[Mr. Whicher.]

Members have, a while ago, eloquently stated their views and those of the people chiefly concerned in their area and I deem it my duty to speak, as the representative of the Portneuf constituency, through which run the CN railway lines, and especially as member of the Standing Committee on Transport and Communications, which has heard since last year much evidence on the CNR's failings which are causing serious vexations to that crown corporation's employees, especially its pensioners.

For instance, we learned during the past year that 2,500 CNR pensioners receive only $25 per month, 7,325 only $100 per month and more than 8,000 get less than $200 per month, which means that a Canadian citizen who has contributed to the progress of his country during the 40 years he worked for the CNR, receives now as a monthly pension an amount lower than the allowance paid to people on welfare.

As a matter of fact, last week I met a Canadian National employee who told me that after his 43 years of service, his pension had been set at $211 per month.

Mr. Speaker, this fate is not exclusively reserved to Quebec, since it is also that of all CNR pensioners.

Witnesses from Edmonton, Sarnia, Ottawa, Montreal and Rivière-du-Loup have pointed out with figures that it would be possible for the CNR to increase by 25 per cent the pensions of its pensioners, without changing the rate of contributions, and even without affecting the capital, since the reserves are so high that the interest alone is adequate to pay the pensions. And the importance of those reserves have been proven before the last federal election, by tampering of the order of $371 million.

Paid every other Thursday, that is 26 times a year, during a certain time, the employee was contributing 5 per cent of his salary to his pension fund. Today, he contributes at the rate of 6.5 per cent, that is an average of $25 for two weeks, or $600 a year.

For its part—according to the agreement entered into in the early sixties—the Canadian National must pay an amount equal to the contribution of the employee, but it has happened that the company has not respected its commitments by neglecting to honour its payments, by simply disregarding its obligations, in short, by simplifying its obligations through the simple registration of its debts with the office of the Superintendent of Insurance in Ottawa.

One day, the representatives of the government, and particularly the Superintendent of Insurance, cancelled in one stroke a debt of $371 million, property of the CNR pensioners, without the latter having even been consulted. This action incited Mr. Edward H. Egan, representative of local T-700 of the Transport Union in Ottawa, to say, and I quote:

This fund has been administered in typical fashion by management and with utter disregard to its employees. We have nothing but contempt for their methods. Here we have a situation where the employees are paying for the recapitalization of the

railway and the government, hand in hand with management, is retiring that debt. It is our contention that we have been had!

Mr. Egan made this statement when he appeared before the committee. Now, since this tampering has become a matter of public knowledge, here is what appeared in the Kitchener-Waterloo *Record* on Monday, May 11, 1970.

Peter Carew, Executive Secretary of the Canadian Railway Labour Association, says that the recent reduction in the unfunded liability of the Canadian National Pension Fund is a "devious, immoral action, little short of embezzlement" and "morally the action is little short of theft".

The committee heard various witnesses, including Mr. C. T. Vance, representing the Retired Railway Veteran's Association, Edmonton, Alberta. When the member for Crowfoot (Mr. Horner) asked him, and I quote:

My concern is with the reduction in the pension plan of the $371 million which apparently was approved by the Superintendent of Insurance. What justification is there for the approval of this reduction—

Mr. Vance replied:

Well, he must have approved it. I am assuming he did because I made a request of Mr. Humphrys that the entire Canadian National pension plan be audited and that we have a report. I have no hesitation in saying to you, sir, that they were skating on rather thin ice to avoid an audit. That is all I can say to you, sir. I have nothing more to say than that.

I think that had there been an audit, some of the things that I am complaining of might have come to light.

Mr. Speaker, in so doing, the government allows one of its corporations not to take into account a $371 million debt and, then, it acts independently to avoid an audit. Such behaviour is really dishonest and is a matter of deep concern for the people already on pension. And the employees still at work wonder what the future holds for them.

Their state of mind shows in their testimony, to which I take the liberty of calling the attention of the House. Among the witnesses heard on June 4, Mr. Vance, while testifying again on behalf of the Retired Railway Veteran's Association said, as reported in No. 31 of the Minutes of Proceedings and Evidence of the committee:

Dealing with the Pension Plan, if the information we have is correct, votes are not taken on the Pension Board. It is a matter of the Railway bringing in a proposition, laying it in front of labour representatives and saying, "That is it; take it or leave it". And when suggestions are made by the employees recommending change the Railway immediately bring out of the so-called deficit which they created and they suggest to the employees that if they want to pay more then certain changes "might" be made. We believe it is essential that the Pension Board become a decision-making Board, rather than function strictly as an advisory type of Board.

During the past two years the railway temporarily has introduced early retirement schemes designed to encourage the over 55 age bracket to take their pension. Particularly on the most recent occasion, this has not been done on a fair and impartial basis. There are numerous instances of employees being turned down, even though there are laid off workers available in his occupation. While the money used for the scheme is not drawn from the pension fund, it appears obvious that the railway has money available for pensions whenever they consider it in their best interests. We suggest this money be placed in the pension fund in future, and arrangements made to use it in a more equitable, fair and impartial manner.

Mr. Speaker, here is what Mr. Egan, the representative of the 225-member Local T-700, said:

Mr. Chairman, Committee members, and ladies and gentlemen. Previously, as a conductor and trainman with the Canadian Pacific Railway, and now in the same capacity with the Canadian National Railways, I am in a position to know what our men want and need for a pension plan, and what shoud be done to have an equitable arrangement with the Company.

Every 14 days we contribute to the plan at the annual rate of 5.5 per cent on the first $5,100, and 6.5 per cent on the balance.

We now have a situation whereby we are the contributors and the recipients, but we do not make the rules nor do we have the power to change them as economic conditions demand. We are at the mercy of the Company and the Pension Benefits Standards Act administered by the Superintendent of Insurance. We will point out later in our brief that this arrangement leaves a lot to be desired.

The main theme of our brief is that at this time, with the amount of money that should be in the Canadian National Pension Fund, and with the contributions that will be coming in the future, the fund should be of such stature that we could have a plan which would carry itself in the not too distant future. This plan would give us all that we could hope for, as well as upgrade those already on pension.

Other themes are as follows:

1. To bring back dignity to those already on pension and who are existing on the poverty level. May I stress this? It is the poverty level.
2. To have an equal voice in administering this fund.
3. To create a Canadian National Pension Fund Corporation, completely independent of the Company and the government.
4. To force the Canadian National Railways to pay back to the fund the $675 million that was borrowed at 4 per cent for 60 years.
5. To force the government to cancel the reduction of this debt by $300 and some million—I have $300 million in the brief—with the claim that it was a surplus of funds.
6. To separate this fund from the Canada Pension Plan.
7. To strengthen the hope of all contributors to this plan of an adequate pension based on a rising economy so that we would never have to come on a bended knee to a committee such as this and ask for justice because of poor administration of our fund.

We are of the opinion that there are a number of things which should be done immediately. We are ashamed of our government; we are also ashamed of the Canadian National Railways.

We have shouted long and hard, but to no avail.

Mr. Speaker, as I still have much to say, allow me to call it five o'clock.

• (4:50 p.m.)

[*English*]

Mr. Deputy Speaker: Order. The hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Howe), at the conclusion of his speech some minutes ago proposed an amendment. The Chair took the amendment under advisement but did not put it to the House. After consultation with Mr. Speaker and officers of the table, I would like to make a ruling on the amendment now. However, in view of the fact the hon. member is not in his place, if hon. members would agree, this could be done at eight o'clock.

Some hon. Members: Agreed.

Business of the House

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Selkirk (Mr. Rowland)—Regional Economic Expansion—Departmental study of implications of National Defence base closures; the hon. member for Halifax East-Hants (Mr. McCleave)—Finance—Size of increase in gross national product—Tax relief measures to stimulate economy; the hon. member for Regina East (Mr. Burton)—The Canadian Economy—Takeover of Ryerson Press by United States Company.

* * *

BUSINESS OF THE HOUSE

DISPOSITION OF PUBLIC ORDER BILL—EXTENSION OF SUPPLY PERIOD

Mr. MacEachen: Mr. Speaker, I would like to make a brief statement about discussions we have had in connection with the business of the House. It has been agreed that we call the Public Order Bill at eight o'clock tonight, and it is our firm expectation that it will be possible to conclude the debate by ten o'clock or earlier. If that is realized we would call the vote on the third reading of the Public Order Bill, if a vote is required, as the first order of Government Business tomorrow. With respect to having the vote tomorrow as the first order of business, I think this should be put in the form of a House Order, but with the understanding that at ten o'clock tonight, if as a result of any meeting with the other house leaders I have difficulties, or we all mutually have difficulties, I would come back to the House and say that maybe we should change that House Order.

• (5:00 p.m.)

Mr. Baldwin: Mr. Speaker, the President of the Privy Council (Mr. MacEachen) has well set out the discussions which have taken place. It is our hope in this party that the first suggestion will be consummated and that we will have completed the debate by ten o'clock this evening. If that be the case, then a vote will be taken as the first item after Orders of the Day. I think there can be no greater attraction to hon. members to make sure their speeches are even shorter than usual, than the hope that this matter may be completed and the vote taken tomorrow after Orders of the Day.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the government House Leader has stated the position with clarity and the hon. member for Peace River has clarified it. I shall just say, hear, hear!

Mr. Deputy Speaker: In view of the fact that the hon. member for Portneuf (Mr. Godin) had the floor at five o'clock, would it be in accordance with the wish of the House that the debate be adjourned by the hon. member for Portneuf and that the special order of the House be made in the terms of the agreement as set out by the house leaders?

Some hon. Members: Agreed.

Mr. MacEachen: Mr. Speaker, I regret that I forgot momentarily, and was reminded by the hon. member for Winnipeg North Centre, that after looking at the prospects of the work of the Standing Committees it is necessary to extend the date of the final supply day which, in the normal course, would be December 10. It has been agreed that we extend that supply day until December 15 so that we should make a special order that, notwithstanding the provisions of Standing Order 58(5), the present supply period shall end on December 15, 1970. If that is agreed, the 5th and final allotted day for the present period would be Tuesday, December 15.

Mr. Baldwin: That is acceptable, Mr. Speaker. It will give members of the opposition a chance to do more than just see the supplementary estimates as they go flitting by the Committee on Miscellaneous Estimates.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Fortin: Agreed.

Mr. Deputy Speaker: Is it agreed that a special order of the House be made in the terms outlined by the hon. President of the Privy Council?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, Private Members' Notices of Motions.

PRIVATE MEMBERS' MOTIONS

MARINE RESOURCES

REQUEST FOR GOVERNMENT PROGRAM FOR DEVELOPMENT

Mr. J. M. Forrestall (Dartmouth-Halifax East) moved:

That, in the opinion of this House, the government should consider the development, encouragement and maintenance of a co-ordinated, comprehensive, and long-range national program for the recovery and use of the resources of Canada's sea-coast waters and continental shelves; and to this end, effectively utilize the scientific and engineering knowledge and skills of the public service and government agencies and co-operate with private investment enterprise in the exploration, technological development and industrial use of the resources of the marine environment of Canada.

He said: Mr. Speaker, it is indeed fortunate that this resolution has come to the floor of the House of Commons so close on the heels of the report to the Prime Minister (Mr. Trudeau) from the Science Council of Canada with respect to Canada's science and the ocean. Without going into the report in any detail, let me say

that I whole-heartedly endorse virtually everything in the report and I commend it to the government in the hope they will be able to get on with it in the immediate future. Even a casual scanning of the efforts of other maritime nations with good mineral potentials off their coasts reveals the total inadequacies of our own efforts to date.

With a continental shelf covering some one and a half million square miles, almost half of our total land area, this failure to vigorously investigate is almost alien to our pioneering spirit and heritage. If I may be permitted, I will quote very briefly from the summary of the report of Science Council of Canada at page 7:

> Recent events have clearly indicated the urgent need to develop a sound national policy for the marine area. Challenges and opportunities exist which, if neglected by Canadians will be seized by others . . . The time for action is now.
>
> To meet these challenges . . . there is a need for a national program, a Major Program in Marine Science and Technology—

While other nations such as the United States, the United Kingdom, Japan, Russia and others are well into research and development programs, Canada seems content only to look for gas and oil, and that, until very recently, in only a minor way. One wonders if the current difficulties over federal versus provincial jurisdiction has been part of the cause. If so, Ottawa should settle with the provinces concerned now, before some of our offshore exploration for oil starts paying off with production and the resulting landgrab starts. There is need for, and room to, compromise on the part of the federal government in this area. The Prime Minister has already recognized this. A little over a year ago he admitted that there might be distinctions in law between the east and west coasts and, as well, between the coastal provinces and those in between.

Perhaps the point of resolving the question at the earliest time becomes clearer when viewed in terms of economic loss brought about by the continuing confusion in law. Whatever we do, it must be done soon and in a manner most likely to appeal to those who would investigate and develop the potential that we all believe is there.

A second, the apparent urgent need is to ensure that we protect the highly vulnerable sea environment. The clear message of Mr. D. G. Crosby, Canadian delegate to the United Nations special committee on the seabed reads:

> We have in many parts of the world now reached a stage on land where in the relatively near future, according to some eminent scientists, we may actually reach the irreversible stage as regards the pollution of our environment.
>
> Let us not make the same mistake with respect to the even more vulnerable environment of our seas and oceans.

With the experience of the *Arrow* in Chedabucto Bay we have taken a significant lead in pollution, its control, the costs to ecology, the legal implications and, hopefully, prevention. We should continue to press for rigid safeguards, but in a form that will encourage orderly scientific exploration, and protect the seas from the reality of pollution as it is with us on land.

The passage of laws or acceptance of standards at the international level, can work two ways. They can be such as to make safe exploration and subsequent exploitation possible or they can be excessive in either their restrictions or freedoms. Only when we establish firm policies and goals of our own will we be able to safely enjoy the rich rewards of the sea environment. Countries like Saudi Arabia have taken great initiatives. They have already claimed exclusive mineral exploitation rights beyond the limits of the continental shelf. We know of the sulphur, iron, manganese and the other hard minerals that are being mined all over the world, such as tin, for example.

Studies made to date of the resources other than oil reveal a wide range of minerals. Many of them are within easy reach of our shores; others in deeper water for which new techniques will have to be developed. The important thing is for Canada to identify these resources and move now to establish our rights to this wealth, settle the problems of controls over such things as depletion, pollution and policing, and get on with the task of developing the skills and the machinery to convert the potential into wealth for our country.

For Canadians, such studies would have even further direct benefits. Greater knowledge of our sea and underwater resources has important implications for fishing, navigation, weather sciences, not to mention our national prestige and the very obvious military implications. In our area we have a natural setting for the lead in such efforts. The Bedford Institute, Dalhousie University's Department of Oceanology, the National Research centre and the Defence Research Board blend smoothly with each other and the provinces' research efforts to make us in the Dartmouth-Halifax area a unique centre for such complex undertakings. That has been outlined by the Science Council of Canada. We have the industrial complex to support such effort and the skilled labour pool to back it up. We have a large naval complex and over 200 years of maritime experience. We have the shipyards and their traditional skills. In short, we have everything except the one, important ingredient, adequate federal interest and involvement.

• (5:10 p.m.)

I suggest that failure to take some initiatives now could well reduce us to a position of regulating the exploitation of the resources of our seabed. We could, as we have with so many of our minerals on land, wind up selling the raw material and buying back the finished products. We could lose the opportunity of opening up wide and diversified employment opportunities even in the early stages of such efforts. Time is the factor of importance, Mr. Speaker, not money. Failure to employ time wisely now could have long lasting adverse effects on our economic growth ability.

One area in which time could be spent very profitably, in my opinion, is in seabed geology. Surely, we could follow Australia's lead and prepare profile studies of our shelf and take the required core samplings to identify not only what the sub-sea floor is made up of, but in what

quantities and where. When the day comes in the next 70 or 75 years on which it is no longer economical, in terms of pollution, to mine the land, we had better be prepared to turn to the sea and the resources both in it and below it. The depths of the ocean present all the challenges of a second frontier for Canadians, primarily because we have so far not committed ourselves to master or understand it. While we dare only to nibble at these resources, I am afraid we shall remain starved.

Great technological advances will be made during the 1970's in preparation for the 1980's, a decade which will surely see the mastery of the depths to 20,000 feet below the 2,000 foot level in which our technology now permits us to operate. It would be inexcusable for us to find ourselves dependant on the technology of others during the 1980's. We have more than most nations at stake. If we have found it difficult to effectively control our land resources, how can we hope to effect control of our sub-seabed resources without a demonstrated capability clearly stamped "Canadian".

What about the cost factor? That is clearly set out in the report of the Science Council. They call for an escalation in expenditure so that by the 1980's our investment will be in the order of $300 million. I support this proposal. Suprisingly enough, the figures that I worked out one year ago differ from the figures of the Science Council with respect to 1980 by only $15 million. One of the things we must be concerned about, if we are to accept this proposition after careful study, is this: we must make sure that the build-up, if it does take place, will be sustained. I imagine that the Science Council would support this idea, although it does not particularly deal with it in its report.

Attempting too ambitious a start could cause the program to face erratic support in the latter part of the 1970's. In other words, whatever research work is undertaken would have to be acceptable to the government in terms of its own order of priorities and must be capable of long term funding, without any question whatsoever. In my opinion, the program must not be subject to annual cutbacks, or increases, for that matter. It must be stable. The scientists involved must always know where they are going from the time they begin. At present, as I have mentioned, we have no national goals, although it is to be hoped that the Science Council of Canada's task force report and the recommendations in that report will commend themselves to the government of this country. It is to be hoped that we do not waste any time in getting on with developing the vehicle which will translate the Science Council report, which deals with urgent matters, into actual programs.

As I have indicated and as I stress again, we must tread a path of clearly outlined and adequate policies so that we may know how we shall treat these resources by 1980. I suggest, Mr. Speaker, to the members of the House and to the government, that leaving this to 1990 will be too late, because by that time the encroachments of other countries concerned about the environment of the sea will be such that we shall be regulators of policy and not exploiters of resources. The direction of less than .4 of 1 per cent of our gross national product into the resources of the sea is not enough. On the basis of controlled escalation, this should be more in the order of 1 per cent of our gross national product by 1980. It should be noted that this input I am referring to should reflect only government expenditures and should exclude expenditures by the Department of National Defence, which has military objectives in mind, and the expenditures of universities and private industries, the contributions of which will also enable us to understand the environment of the sea. A close study will have to be made of the order of the mix between pure and applied research efforts as between the public and the private sectors. At present we are spending about $8 million annually on applied research with respect to maritime resources and between $22 million and $23 million on pure scientific research and exploration. The figure of $30 million does not include the cost for ships and other related, supporting facilities.

It is my belief, Mr. Speaker, that by the middle of the 1970's our expenditure in this area annually should be at the level of $50 million and by 1980, as I have indicated, it ought to be very close to the $300 million figure. By that time we ought to be well launched on practical projects which will ensure that, as we go into the 1980's, Canada will have not only control over the exploration of the sea, the sea floor and what is under the sea floor, but control as well over the exploitation of the resources of the sea. I commend the Science Council of Canada for its work. I hope that there will be the widest possible publication of the study papers connected with report No. 10. They have my support in this program that has been recommended to the government and all members of the House.

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I do not want to talk very long because I know hon. members wish to vote on this matter.

Some hon. Members: Hear, hear.

Mr. Comeau: I want to give them the chance of doing that. The motion presented by the hon. member for Dartmouth-Halifax East (Mr. Forrestall) I consider, on the basis of my two years in the House, to be one of the most important matters that has been brought before the House. Although, if accepted, it would affect all of Canada, I submit that it would help to make the Atlantic provinces in particular more viable and self sufficient. We have not yet placed the proper emphasis on our resources, particularly mineral resources, in the Atlantic provinces, this is why it is vitally important to get moving on a program of this type.

• (5:20 p.m.)

I was advised by the hon. member for Dartmouth-Halifax East (Mr. Forrestall) that this motion has been on the Order Paper since 1967, over three years. It is a shame that it was not debated earlier because the Science Council of Canada reported on this subject last week.

They could have taken the initiative from the suggestion of the hon. member had this motion been debated earlier. It is interesting to note the resemblance between the study completed on April 10 by the hon. member for Dartmouth-Halifax East and the one published this week by the Science Council of Canada. If the terminology is not the same, it is at least very similar.

Canada is a member of the Geneva Convention of the Continental Shelf, 1958. Canada can claim the natural resources of the seabed and subsoil offshore extending far beyond the limits of the territorial sea. Canada can claim the resources of the sea to a depth of 200 metres. There is a difference of opinion between the federal and provincial government with regard to the rights to offshore resources. In 1965, the Supreme Court dealt with the problem of resources off the west coast. The decision of the court in December of 1967 was unanimous. It found entirely in favour of the Crown. All submerged resources lying offshore from the ordinary low water mark are Crown property.

In 1968 the Prime Minister (Mr. Trudeau) announced that Canada should establish mineral resources administration lines to divide areas of federal and provincial jurisdiction. Areas landward were to be administered by the provinces and areas seaward to be administered by the federal government. He also stated that half the revenues accruing from mineral resources from within federally administered areas would be placed in a national pool and distributed to the provinces on a basis acceptable to them. Of course, not all the provinces agreed with this proposal. There was discussion on this subject at the recent Liberal convention. The matter is far from being settled, but is a problem which must be resolved. We should not prejudice our interest in the development, continued research and use of our marine resources. It does not matter which government has the jurisdiction because both the federal and provincial governments work toward the same end. I would not like to see the Atlantic provinces in comparison with gypped other parts of Canada.

In the interest of all Canadians, the federal government should greatly improve the marine resources program. This is pointed out by the hon. member for Dartmouth-Halifax East in a paper which he submitted some time ago. Canada is very active in the field of oil and gas. Many companies have carried out marine geophysical surveys. Since 1966, the number of exploratory permits issued has greatly increased, particularly with respect to northern gas. This applies to both the east and west coasts. As pointed out by the mover of this motion, studies have revealed a wide range of minerals, in addition to our oil resources. This is of particular interest to the Atlantic coast region.

It is well known that in the past fishing has been the main activity off these shores. The federal and provincial governments have failed to grasp the opportunities to explore and fully develop our resources. It is understood that provinces alone cannot finance or provide the necessary machinery for full exploration and development of our marine resources. Only the federal government can do the job properly. Certainly, the province of Nova Scotia cannot, by itself, do the job.

A lot of exploratory work remains to be done in the field of marine resources. It cannot be done by any one province. Many people, including members of this House, still believe that we should proceed with caution, particularly off the Atlantic coast, in view of the effect that exploration and development might have on our fisheries. Surely, there must be a point of balance. We must be able to exploit our marine resources to the fullest while still maintaining a viable fishery. I do not want to dampen the hopes of the fishermen in the Atlantic provinces, but at the same time the future does not look too promising. I believe there will always be proper conservation methods. I am glad to see the Minister of Fisheries and Forestry (Mr. Davis) in the House. He is very interested in the conservation of our fishery. In the last five years there has been evidence of depletion of some species. It is to our advantage to find other means of income for the residents of the Atlantic provinces. We should not simply ignore motions such as the one presented by the hon. member for Dartmouth-Halifax East because of the benefits they would bring to the people living in the Atlantic area. This applies also to those living on the west coast.

I am referring to the Atlantic coast in particular because it has often been said that the Atlantic provinces cannot make it. Maybe they have not been given the chance. Perhaps everything that should be explored has not been explored in order to make these provinces viable. The reason for this motion is that the mineral resources off the coast of those provinces have not been explored fully. There is no doubt this would be of great benefit to that area. Increased research in resources other than the fishery is of prime importance at this stage.

The Science Council of Canada in their Report No. 10, the latest report, stated:

> The impact of such developments as offshore petroleum exploration and exploitation, new needs in fisheries and transportation, new demands in recreation, antipollution, and climatic prediction and control requires a serious reconsideration of the place of marine science and technology in our total national picture. The time for action is now!

The motion presented by the hon. member is of great importance. It is unfortunate that this subject has not been debated more often in the past because it is of prime importance to the development and well being of many Canadians. Many departments are interested in and concerned with the proper development of marine resources; for example, the Department of Energy, Mines and Resources, the Department of Indian Affairs and Northern Development in our Arctic areas, and the Department of Fisheries and Forestry. We cannot develop our resources on the east coast to the detriment of the fisheries; safeguards can and must be provided. Increased research under the National Research Council, at universities and so on, should make this possible.

• (5:30 p.m.)

I simply want to impress upon hon. members that the motion moved by the hon. member for Dartmouth-

Halifax East is of vital importance. The Department of National Defence has an interest in this matter in relation to its defence installations. So has the Department of Transport through its shipping branch. The Department of External Affairs has an interest because this matter has to do with extraterritorial rights. Perhaps the fact that so many departments are involved is why progress has been slow. The Science Council of Canada has made a positive recommendation that some move along the lines suggested by the hon. member be made, and it is the federal government that must take the initiative. The Atlantic provinces, indeed all of Canada, will have much to gain from increased activity in this area.

Some time ago the government reneged on its proposal to harness the Bay of Fundy tides. In my opinion, these tides are a tremendous source of energy and have fantastic possibilities in terms of making the Atlantic provinces more self-sufficient. No longer would the rest of Canada tell the Atlantic provinces that they must be given money in order to live. Although nothing has been done to date, a start can be made in the future on this project which is a long-term one. I suggest we adopt the recommendation of the Science Council of Canada as well as act on this motion. Since other hon. members want to speak, I shall not deal with the financial requirements that are involved; these have been dealt with by the hon. member as well as by the Science Council of Canada.

I might also point out that there are great possibilities here for mineral development. This is a subject we could talk about for days on end. Suffice it to say I support the motion and urge the government to do something about it, for in this area lies tremendous possibilities for all Canadians, particularly for those in the Atlantic provinces.

Mr. Barry Mather (Surrey): Mr. Speaker, I rise to make a few brief remarks in support of the motion put forward by the hon. member for Dartmouth-Halifax East (Mr. Forrestall). I hope to conclude my remarks in about two and a half minutes so that, hopefully, the matter may come to a vote. The motion before us, in brief, calls for the development of Canada's east coast waters and continental shelf resources. Certainly there is sufficient merit in that proposition to bring us to the point where we would at least support the sending of the subject matter of the resolution to the appropriate committee, or perhaps a joint committee, for study and action.

It is a fact that Canada has either the largest or second largest seacoast shelf area in the world. In any event, its area is immense. We have done very little in the way of studying the potential wealth that lies within our seacoast areas, though we have done something to encourage exploration for oil and gas in our marine areas. Recently I expect hon. members read a report which suggested that we should look at the food resources of our marine areas, because it has been pointed out that the population explosion in the rest of the world is such that the existing traditional areas of food production may be insufficient to provide food for the world's needs in time to come.

Only the other day I read that the Japanese are now exploring the use of seacoast water with regard to hydro power development. Although this is in the very early, exploratory stage, it is an area in which the Japanese are interested. I think we are all vaguely aware of the potential mineral wealth that is lying just off our shores. All in all, I think the motion deserves our non-party support to the extent of at least sending it forward for further discussion and, hopefully, action.

I like the wording of the motion. The only change I would make would be to strengthen the idea that the federal and provincial governments co-ordinate their activities if this undertaking should commence. In the hope, as I said earlier, of the House coming to a decision on this resolution, I will now resume my seat.

Mr. Ian Watson (Laprairie): Mr. Speaker, I congratulate the hon. member for Dartmouth-Halifax East (Mr. Forrestall) for moving this motion and giving us the opportunity to discuss a topic which, as he himself pointed out, has not been adequately discussed in this House. He is a Maritimer with perhaps a special interest in this subject, though it is one that should concern all Canadians.

If the government of Canada is going to preserve its federal claim vis-à-vis the provinces, it will have to become more involved in research into the exploitation of the undersea continental shelf. If the federal claim is to have any credibility, this action must be taken in order to protect and to advance at the international level our case for national jurisdiction over the exploitation of our continental shelf. We must clarify our claims to national jurisdiction.

Before dealing with that subject I should like to talk for a moment about some of the things that Canada should be doing now, with the resources that are available to us, to increase our knowledge and our ability to take advantage of some of the new technology that is being developed. Possibly this is an area for Canadian-Soviet co-operation. We can offer many things to the U.S.S.R. in the area of mining exploitation. On the other hand, I think the U.S.S.R. has a lot to give us in the area of expertise and knowledge of deep water areas off our coasts. It is a well known fact that the so-called Soviet hydrographic fishing trawlers have photographed the sea floor up and down both the west and east coasts of Canada.

• (5:40 p.m.)

This area is one which is of prime interest to Canada, obviously. I would strongly suggest to the government of Canada that the next time it talks with Soviet officials about co-operation in various areas of technology, it should make a pitch for a much more substantial exchange of information in this area. Canada would certainly benefit. The need is obvious for a very comprehensive survey in Canada of the undersea conditions, of the geology, biology, mineralogy, and the various forms of sea studies including the wave action and meteorology of our ocean frontiers.

Perhaps there are ways for us to give some incentive to our industrial people to encourage private input into this kind of research. I would hope that we might consider additional tax incentives as encouragement for this particular kind of research, which in the long run is so essential to the establishment of our national claims over the continental shelf and for eventual full exploitation of this area.

In early 1970 President Nixon made certain proposals which were among the most important international proposals made by any country for a long time. They envisaged a world treaty under which nations would give up a good part of their claims to most of the riches of the world's seabeds. He proposed giving up to 90 per cent of the seabed to an international agency, with royalties going for international community purposes. The area beyond the depth of 200 metres to the outer limits of the continental margin would come under a special form of trusteeship whereby the coastal state would have the right to control access, exploitation, pollution and, in fact, the full development of the area to the limits of the continental margin without going so far as recognizing full, absolute and complete national jurisdiction over this area.

Canada has not taken an official position on the Nixon proposals. Our position seems to be at the moment that we agree there is an area which is beyond our national jurisdiction. We agree that there must be a more precise definition, and we agree that the area beyond must be exploited for mankind and in particular for underdeveloped countries. We have been, I presume, deliberately nebulous on this subject because the government has not made up its own mind.

I feel quite strongly that now is the time for Canada and every country in the world to move toward greater international input into undersea and sea exploitation. I do not think we can allow ourselves many more years of complete freedom of exploitation. Whether it be undersea exploitation, seabed exploitation or exploitation of the animal resources of the sea, we will have to bring this under international control eventually. It therefore seems to me it is to the distinct advantage of almost every country in the world to move toward a much more concrete form of international control than we have now.

The United States proposals perhaps have a military aspect to them in that the trusteeship suggested by President Nixon would eliminate the pattern of extending national jurisdictions to the edge of the continental margin. However, because this particular aspect of the U.S. proposal exists, I do not think we should underrate it or fail to see the tremendous value that exists in this proposal for a movement toward an international sea regime and much greater international co-operation between the peoples of the world. The countries of the world during the last few years seem to have been regressing into nationalism. This regressive nationalism which is occurring even here in our part of the world is not to the long-term advantage of any of us. The need for assistance to underdeveloped countries is greater than it has been and will be even greater in years to come.

I would suggest that development undersea resources on the so-called outer margin of the continental shelf is an area that should be exploited for the benefit of all mankind. I would take a position supporting the Nixon proposals, but the depth of the continental shelf could be an area of compromise. In fact, I disagree with the Canadian position if it is to be that we lay full claim to the continental shelf to its outer margin without any provision being made for a contribution from this extremely rich area to the underdeveloped countries of the world.

There is room for compromise in the Nixon proposals, but I do not think the Canadian position should be what it appears to be developing into, to lay full and absolute claim to all the continental shelf to its outer margin. This is an exercise of Canadian nationalism with which I would not agree. The trusteeship proposal should, however, be expanded upon. We should not simply have a trusteeship in this area of the continental shelf extending from a depth of perhaps 200 metres or 400 metres to the edge of the continental margin only for the purpose of exploitation of the seabed or beneath the seabed resources. We should have an international trusteeship set up whereby we can control, for conservation purposes, all the animal life in this area.

• (5:50 p.m.)

There are presently many examples of misuse of fishing rights which other countries have acquired over the centuries on both our east and west coasts. It is essential that a better international framework be established soon for this area.

I would hope the government of Canada will push strongly for another conference on the Law of the Sea. I should like to see us modify our position on the outer continental shelf to take into account the real need which exists for additional aid to the underdeveloped countries and which would take into consideration the danger inherent in increasing nationalism around the world. I would hope we would take a step toward the world community to which I believe most of us aspire over the long term.

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, as we draw to the conclusion of a debate of this type it is good to return to the starting point; therefore, I wish to refer to the resolution put forward by the hon. member for Dartmouth-Halifax East (Mr. Forrestall). Through this resolution the hon. member has given us an opportunity during the past hour to debate a topic which is of vital interest to Canadians. The resolution states:

That, in the opinion of this House, the government should consider the development, encouragement and maintenance of a co-ordinated, comprehensive, and long-range national program for the recovery and use of the resources of Canada's seacoast waters and continental shelves; and to this end, effectively utilize the scientific and engineering knowledge and skills of the public service and government agencies and co-operate with private investment enterprise in the exploration, technological development and industrial use of the resources of the marine environment of Canada.

Dr. Solandt of the Science Council of Canada, perhaps quite unknown to the hon. member, has been working along a very similar line and one which closely parallels what the hon. member has suggested.

Mr. Forrestall: I never said I was the only one concerned.

Mr. Deachman: I must say it is to the credit of the hon. member that his discourse this afternoon should have been so closely related to what the learned scientists who comprise the Science Council of Canada have come up with. His proposal is pretty much akin to the proposal made in the monograph from which he quoted today. The hon. member in effect has entered the debate somewhat at the eleventh hour.

I should like to turn to the first page of this document which is dated November, 1970, and highlight for a moment what is proposed therein, because I believe it is generally acceptable to the House and probably just as acceptable to the hon. member for Dartmouth-Halifax East. It shows that we really are getting close to doing something in this most important field. In this monograph Dr. Solandt says:

> It has been estimated that about half of Canada's ultimate potential oil reserves lie offshore.

That is to say, on the continental shelf surrounding continental Canada. Then at page 18 Dr. Solandt says this:

> To lift only one corner of the curtain, industry expenditures on offshore exploration are expected to grow from about $25 million in 1969 to a minimum of $40 million in 1970. The work requirements on federal government offshore petroleum exploration permits may result in an expenditure of some $1 billion by 1980. If exploitation follows, the financial outlays will certainly dwarf these exploration figures.

Further down on the same page he says what he would like to see done to cope with this problem.

> The Science Council therefore recommends that an interdepartmental committee be established immediately to satisfy this need. This committee should consist of senior representatives of federal departments having responsibilities in the marine environment—

He names those departments and then states on page 20:

> The Science Council recognizes that there can be several alternative mechanisms that will accomplish these ends, but in view of the need to establish a solid technological base as rapidly as possible, and since Crown Corporations have successfully fulfilled such mandates in the past, it recommends the establishment of such a corporation, a Canadian Ocean Development Corporation.

One of the recommendations of the Science Council is the establishment of a Canadian Ocean Development Corporation which would provide not only for Canadian ownership of marine technological enterprises but would also ensure that a significant proportion of the activities involved are carried out by Canadians.

The Acting Speaker (Mr. Laniel): Order, please. The nour appointed for the consideration of private member's business having expired, I do now leave the chair. The House will resume at 8 p.m.

At six o'clock the House took recess.

[Mr. Deachman.]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

PUBLIC ORDER (TEMPORARY MEASURES) ACT, 1970

PROVISION OF EMERGENCY POWERS FOR PRESERVATION OF PUBLIC ORDER

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-181, to provide temporary emergency powers for the preservation of public order in Canada, be read the third time and do pass.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, when the government, taking advantage of unanimous consent, introduced in the House the War Measures Act as a great emergency, it publicly undertook to introduce in the near future new legislation whose main characteristic would be permanency. However, to the general disappointment, the government has gone back on its promise and has postponed indefinitely its promise of permanent legislation, putting before us instead this temporary Bill C-181.

At the height of the crisis that shook not only Quebec, but the whole of Canada, in October last, the government proclaimed the War Measures Act to check the undercover and murderous activities of the FLQ. At that time, we supported the government, because we recognized—and we still do—the danger that the FLQ as well as any group that shares the same views represent for Quebec, for the future of Democracy in Quebec and in the rest of Canada. There was some kind of a consensus at that time to the effect that this legislation was inadequate.

There is no ready solution to this issue, Mr. Speaker.

Indeed, when we are dealing with such shameful and merciless people who have gone as far as abducting two men and ignominiously murdering one of them in order to achieve their political aims, the two eminently democratic bodies that are the Canadian government and Canadian Parliament must never cease to be on the alert. Abnormal conditions often call for extraordinary and tough legislation at times in order to preserve our institutions, our society and our fellow-citizens.

Having said this, there remains one undeniable fact: any legislation and measures enacted to stamp out this evil must never under any circumstances be such as to cause greater harm. Therefore, I want to state my position clearly as one of moderation and comprehension but also of strength, with respect to the revolutionary forces which are now actively seeking to destory our country.

I call for the passing of emergency legislation of a permanent nature. This is basic. This is the reason why I have the impression really that we are wasting our time now, as the Prime Minister (Mr. Trudeau) said, but not for the same reasons. He does not believe in Parliament, while I do. In any case, as the situation is now under control and as the measures taken neither saved Pierre Laporte's life nor brought back British diplomat James

Richard Cross free, does it mean that these failures are due to our legislation? I do not think so. They are instead the result of the state of panic created by the governments who, by their inaction and their weakness, allowed our radio stations to alarm the people at any time, and thus to give the FLQ all the publicity it could need to keep this tension alive.

These failures and this weakness of the government are also due to our lack of experience in this new type of warfare, namely, the use of violence and force to overthrow the established government.

I believe that, in these circumstances, the police and armed forces, in spite of the difficulty of their task, are doing a good job. Of course, some problems have come up and there has been abuse of power in some cases, but I think that the police are not be blamed for that but rather the legislation under which they acted, the War Measures Act. And the experience of the first three weeks made the people realize how far such abuse might go, abuse due to poorly adapted legislation, imprecise, provoking and even in some regards, certainly disrecpectful of the basic rights of the human being. Therefore, we are in great need of new legislation on emergency powers, a permanent statute not intended solely to save face as it is the case with Bill C-181.

This new legislation on emergency powers which I call for like many other hon. members, should allow the cabinet to order emergency measures when, for example, transport and public services are disorganized, when the supply of commodities is endangered, when strikes jeopardize the national economy of a province or the efficiency of public services or when the lawful authority is seriously threatened by movements or associations advocating violence or force as a tool.

It is abnormal that unlike many other countries Canada should be without permanent legislation. Here we wait for blows to fall before taking action, instead of anticipating them. Is not leadership far sightedness?

Permanent legislation is and will always be a superficial solution to a crisis. Legislation can only control a situation on the outside but inwardly anger may continue to increase to the point of degenerating into terrorism.

Therefore, we must try mainly to restore order in our society, not only by voting a modern and permanent public order act but also by tackling fundamental problems which cause, have caused or will cause in future such outbursts of violence and terrorism.

When considering the continuing downgrading of the economic situation in Quebec, one can realize that it is but the beginning of our troubles unless we tackle the problems of poverty, social injustice, unemployment, slums, employment of our youth and the many questions arising from the basic problem: the economic situation.

Mr. Speaker, the leaders of Social Credit and their followers have been saying, for decades now, that all problems of a social or human nature had often one common origin, the economic problem.

Without trying to sound ominous, the Créditistes had foreseen the crisis which recently jolted not only Quebec but the whole of Canada.

How many times did we say that some day passions would grow so exasperated that the situation would become explosive unless we tried forthwith to put some order in our economic system. When so speaking, the Ralliement créditiste members were right once again and we hope that today, the government will hear our voice, the voice of the people who are fed up with promises of a "just society" and of "100,000 jobs" and who have lost any hope to see these promises ever materialize.

The economic situation in Quebec is far from satisfying and the Canadians, particularly the Quebecers, are desperate at the incompetence and inaction of this government. In view of the importance of this matter, let me describe for a few seconds the economic situation of both the Quebecers and the Canadians in general.

This winter, a 14 per cent unemployment rate is forecast in the Maritimes, a 13 per cent unemployment rate in Quebec while, for Ontario, this rate will reach only 7 per cent. For the last 15 years, the Quebec unemployment rate has always been from 20 to 40 per cent higher than the average unemployment rate in the whole country.

But what is most alarming, Mr. Speaker, is that in 1969 out of the 158,000 unemployed in Quebec, 65,000 or 42 per cent were under 25. Those young people who had been promised since 1960 a society of happiness, security and freedom through stable employment studied long and hard so as to be prepared for the task the society was offering them. But it turns out that these were nothing but empty promises by small-time politicians and even with their diplomas, the young despair of ever being able to do something with their hands and their education, and of ever being able to get a job.

Those young people—and I want to be their spokesman—are bitterly disappointed and most of them do not believe any more in Santa Claus Trudeau or Santa Claus Bourassa. The "just society" and the "100,000 jobs" are neither for today nor for tomorrow.

It is a shame to see that 42 per cent of the unemployed in Quebec are less than 25 and feel useless and rejected by society and it is easy to understand that their frustration could easily turn into revolt.

I therefore ask myself who is responsible, in the end, for the troubles which have shaken Canada, if it is not society itself, and particularly its leaders who have tolerated and created that situation in its entirety, through their inaction. That is fundamental and deep cause, and whatever the content of the emergency legislation may be, it will solve the problem only temporarily and very superficially. The time has come for an economic reform in depth.

It might be said that people who live off governments, who wait for whatever is given to them, are bound in greater number in Quebec, especially if one takes into

account the very high level of unemployment in that province.

Indeed, in the province of Quebec, 572,800 persons depend directly on social welfare to live. To that number one can add approximately 29 per cent of those who work and whose standard of living is barely above the poverty level. In Quebec, 39 people out of 1,000 are on welfare as compared with 17 in Ontario.

Those figures are revolting, but the situation of those people is still worse, if one considers the huge wealth and possibilities of this country. Those people do not share at all in the prosperity and life of our country. In short, they are rejected by society. One must not be surprised if some want to reject society. And the governments ignore them completely.

The government fights inflation and the terrorists, sets up bilingualism programs, creates hundreds of royal commissions, and publishes hundreds of white papers—it tabled still another one today—but that does not in any way change the situation of those people which keeps getting worse instead of better.

That is why it is so important for us, members of Parliament, to assume our responsibilities, to give precedence to the interest of the people over that of the political parties, with a view to ensuring the freedom and economic security of each and every citizen. But that supposes an economic reform in depth. Our present society does not really take into consideration the needs of man, nor his aspirations. It refuses to hear his desperate cries. Some of these days, man will wake up and revolt. The federal government, through the CBC, the Company of Young Canadians and various other organizations, is, after a fashion, doing dishonest social work with the ratepayers' money, by showing only one side of the picture, by getting those needy people all worked up, by luring them with the beneficial effects of a society where everything is permissible, from abortionn to the legalization of drugs. The taxpayers are lured with the advantages of socialism, licentious life, revolutions that took place in other countries, but they are always shown only one side of the picture, so that one fine day, the nation awakens.

And when that happens, the government feels justified in extending its hold, its power, and in multiplying its dictatorial measures through laws which trample the basic civil freedoms, and it takes advantage of the situation. And when an election is called, the same governments ask: Give us a very strong majority. Then the people slip even further and the government seizes the opportunity to increase its hold, to grab everyone's property either through farm credit companies or the Central Mortgage and Housing Corporation.

Mr. Speaker, the respect of the human being will only be truly achieved by an economic reform in depth which will put money at the service of the human being, in order to put an end to the exploitation of man by high finance.

A reform is due and time is going by quickly. The bill under consideration is a swindle. It is nonsensical and is

part of the great drama produced by the Liberal government to entertain the people and make them forget their real problems. This is why, on behalf of my fellow citizens of Lotbinière, I will vote against this bill which makes people forget their real problems and does not deal with the root cause.

• (8:10 p.m.)

[*English*]

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I do not intend to speak at length on third reading of the temporary emergency powers bill. It is not my desire to hold up the vote on this legislation but I feel I must place my views about it on the record.

The War Measures Act was brought in by the cabinet by Order in Council almost six weeks ago. The House of Commons was not consulted first. The main reason given for invoking the act was that a state of apprehended insurrection existed in the province of Quebec. At the time we had no knowledge or evidence of any apprehended insurrection in Canada, and as events have unfolded here in Ottawa it has become crystal clear that no state of apprehended insurrection ever existed. Wild rumours and unfounded stories drove both the Quebec provincial government and our federal administration into a state of hysteria and panic. The fantastic exaggerations of cabinet ministers and their subtle hints of sabotage, plots and insurrection against the government were a major contribution to this whole unhappy affair.

I would agree that emergency action against the FLQ was needed. No one can condone terrorist activities in a democracy. But I am convinced we did not require the War Measures Act to bring about law and order. There are a number of sections in the Criminal Code such as those on treason, sedition, offensive weapons, unlawful assembly, conspiracy, and others which are readily available to our law enforcement officers to arrest those they suspect of being ready to lead demonstrations and to incite disorder and violence. If additional powers were reasonably needed, they could and would have been obtained from Parliament on a temporary basis. These additional powers could have extended the length of time of detention and permitted the authorities, without warrant, to search private dwellings for explosives and offensive weapons.

All parties in this House agree that the vast powers under the War Measures Act were far too restrictive and abusive for meeting the FLQ situation in Quebec. This was indicated by the Prime Minister (Mr. Trudeau) after they were first introduced. It makes one wonder why the present regulations, which are less restrictive, were not included in the Order in Council when it was first brought in on October 16, 1970. The government had been considering the use of the War Measures Act for several days. The failure to bring in less restrictive powers under the Order in Council is just another example of the panic and chaos which struck every department of government during the crisis.

An interesting article appeared in the *Globe and Mail* on November 26. The article was really a severe chastise-

ment of the exaggerated statements made by the Minister of Regional Economic Expansion (Mr. Marchand). I would like to quote for the record several paragraphs from it as follows:

• (8:20 p.m.)

Justice Minister Jerome Choquette was quoted yesterday as describing as highly exaggerated an implication by Regional Economic Expansion Minister, Jean Marchand, that there may have been as many as 3,000 heavily armed revolutionaries ready to fight for Quebec independence.

Mr. Marchand cited the figure as a justification for Ottawa invoking the War Measures Act to combat FLQ terrorism.

In an impassioned defence of the act, Mr. Marchand told the Commons on October 16 that the FLQ has 3,000 members. He said many had infiltrated into decision-making positions throughout Quebec. He claimed that the FLQ had enough explosives and arms to destroy downtown Montreal and said it was ready to use them.

"There are maybe 100 or 125 active members of the Front de Libération du Québec in my opinion," Mr. Choquette was quoted as saying. "Mr. Marchand has his own way about him. His statement was highly exaggerated. There were far too many conflicting comments and opinions coming from Ottawa during the crisis."

Mr. Bourassa said: "I would like to see Mr. Marchand's statement. Was he speaking of active terrorists, or sympathizers?"

When pressed by reporters to say whether he considered 3,000 an exaggerated number for active FLQ members, he said, "Well, you saw the arrests, about 100 still held—you have your answer there."

I point out, Mr. Speaker, that in the latest results given to the House of Commons, the Minister of Justice (Mr. Turner) told us there were 454 individuals arrested under the War Measures Act and that to date 403 of them had been released. Only 51 had been detained to date, and of these only two had been sentenced. No doubt a number of those presently being detained will also be released without charge. Despite an intensive police search in every part of Quebec, no large caches of weapons or large supplies of dynamite have been located.

All this information would clearly indicate that the claimed threat of apprehended insurrection never existed. In my opinion, when the full story of the FLQ crisis is written in the months and years to come it will become abundantly clear that governmental panic at both the federal and the provincial level was the main cause for invoking the War Measures Act.

Another important and supplementary reason was the desire of the federal government to prop up the weak and vacillating Liberal cabinet of Premier Bourassa. Only one member of that cabinet had really stood out against negotiating with the terrorists, and that was the Attorney General. To help save the political hide of a Liberal Premier, and to prevent further active negotiations by the province with the FLQ for release of prisoners, 22,000,000 Canadians were stripped of their civil liberties.

We must not forget the role played by the mayor of Montreal in this FLQ crisis. He rightly requested federal assistance, but under the cloak of the War Measures Act he was one of the first to abuse its powers by using it against his municipal political opponents. I personally feel that the real crisis in the city of Montreal and in the province of Quebec is well in hand. There is no further need for the vast police powers of the War Measures Act and no need for the very extreme powers under the temporary emergency powers bill which is currently before the House. The crisis is in hand in Quebec and any remaining problems, in my opinion, could be handled adequately under the sections of the Criminal Code which I have already mentioned.

Let me add that recently the Prime Minister has tried to foist the blame on the news media for the wild rumours which were spread about plots, replacing of government administrations, etc. Every member and every reporter in this House knows where these wild rumours originated. They came from prominent cabinet ministers, from Liberal backbenchers and from the Prime Minister himself. Many of them are on record in speeches made by them. These members should get up in this House and tell the people of Canada what they have done. Trying to foist the blame on the news media is a disgraceful tactic and it must be highly embarrassing to those members who were guilty of originally spreading the rumours.

Despite the fact that the present measure is somewhat less restrictive than the War Measures Act, it nevertheless contains several very vicious and repugnant sections. In fact, these sections are so lacking in their protection of civil liberties and are so opposed to my ideas of Canadian justice that I refuse to endorse any type of legislation which contains them. Clause 8 will make offences retroactive. This is the most vicious feature of the bill. If something was legal five or six years ago, I fail to see the justice in now making it retroactively an illegal act.

Many hundreds of innocent individuals can be caught by this vicious feature and it should never be allowed to pass into law. Surely Canadians have a fairer sense of justice than to allow legislation of this type to be placed upon our statute books. This section makes an individual guilty until he proves himself innocent. No one who believes in basic civil liberties can endorse this abhorrent principle.

The second feature is the failure of this government to allow a review board or a review commission to make certain that the measures under this act are not abused. This safeguard is an absolute necessity, for many more innocent people may be arrested under this temporary measures act and could again suffer adversely because of our failure to allow an independent review to take place. The setting up of this board would in no way affect police action in the city of Montreal. Still this government remains adamant and refuses to allow this necessary protection of the civil rights of Canadians.

We are told that it is up to the province of Quebec to administer the act and that provision for a review board is not required. However, this is federal legislation and we have the powers delegated under the Constitution to insist upon the protection of the civil rights of every Canadian regardless of where he resides. We should protect those rights and insist that those who would use the powers of this new legislation must also agree to protect

them. The host of abuses which have already taken place under the War Measures Act, including those moves made against political opponents for obviously political reasons, should serve as a concrete example to us. The abuses which have taken place will for the most part be perpetuated in the new legislation. Again, at this late stage of the legislation I appeal for suitable amendments to protect Canadians against these potential abuses.

Mr. Speaker, before I close may I touch briefly on the root cause of the FLQ trouble in Quebec. It stems primarily from the lack of basic social and economic reform. Contented citizens do not turn to terrorism if social and economic conditions can guarantee them a decent standard of living. But if unemployment is ever-present and basic social reforms such as housing, etc., are lacking, then groups like the FLQ can fester and grow on this type of discontent.

Why have we had this problem in Quebec and elsewhere without adequate action being taken? Who is to blame? We have had Liberal federal government since 1963—

An hon. Member: That is when the FLQ started.

Mr. Harding: —and precious little has been done on the federal level to alleviate the worsening situation in the province of Quebec. It is time the people of Quebec and the rest of Canada realized that the Liberal government of the past seven years has not done anything to alleviate adverse economic conditions or recognize the need for social reform in the province of Quebec. This lack of reform is the basic and the root cause of the growth of the FLQ.

Some hon. Members: Hear, hear!

Mr. Harding: In conclusion, Mr. Speaker, I would say that under the War Measures Act a host of abuses have already taken place. A large number of innocent people have been ruined by being picked up and having their names associated with the FLQ. Some individuals have lost jobs and their wives and families have been harmed by these arrests. The powers under the War Measures Act have been used politically in the city of Montreal and in other parts of Quebec to get at political opponents. Every day some new abuse under the War Measures Act comes to light, and when Canadians are able to read the full story of what has actually taken place they will never again want to see the War Measures Act invoked in Canada during peacetime. Mr. Speaker, if this bill is to be voted on at third reading without being amended, I shall have no choice but to cast my vote against it.

• (8:30 p.m.)

[*Translation*]

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, no right-thinking citizen could remain indifferent to the serious problems that faced the Quebec and the Canada governments following the events of last October.

[Mr. Harding.]

No citizen could remain insensitive to the anguish felt by the Cross and Laporte families.

No Canadian could fail to disapprove of the offences committed, nor deny that in certain circumstances, the implementation of extraordinary measures is justified.

When the tragic circumstances we have known led to the invoking of the War Measures Act, we trusted the government and its leader, the right hon. Prime Minister (Mr. Trudeau) when he said there were very good reasons to invoke the War Measures Act.

Now, on October 16, the federal government, at the request of the government of the province of Quebec and the city of Montreal, invoked the War Measures Act.

In the light of the facts known and outlined by the Prime Minister and his cabinet, Parliament approved the action of the government on the understanding that a legislation not as stringent as the War Measures Act would be introduced in the House as soon as possible.

Therefore, Parliament acted in good faith on October 16 last. After a month, one would be inclined to believe that the reasons stated were groundless.

The act invoked to apply extraordinary measures was not adapted to the present circumstances. It had been drafted to cope with a wartime situation. In this instance, Parliament was facing an unusual situation, different however from the conditions prevailing in a country at war. We were therefore at grips with a situation without legislation appropriate to circumstances.

The replacement of the War Measures Act was consequently necessary. It was extremely important that a new legislation be discussed and passed in order to put an end to such a situation.

We have supported the principle of a new bill and made suggestions to the government. We were expecting a bill different from the one before us. During the discussion in committee, we have proposed amendments to Bill C-181. Members of other parties have also moved amendments, but they have all been turned down by the government.

The rejection by the government of any reasonable amendment makes Bill C-181 the twin brother of the Regulations for the preservation of public order.

As the government has not kept its word, I do not see why we should give unqualified support to an incomplete legislation which grants almost unlimited powers. We have supported the principle of an emergency measure, but not necessarily this one.

Rather than an emergency law with a permanent character, such as can be found in the Western countries, this government has preferred to introduce a temporary legislation, so that if a similar situation arose in another part of the country, or in a different way, it would again have to ask Parliament to promulgate the War Measures Act.

Could it be that the passing of the War Measures Act was not justified or still, that it was promulgated in a moment of panic? Both are possible.

Rather than introducing a permanent legislation, they have preferred acting hastily by passing an incomplete, temporary legislation, that is a last minute law. When are we going to get a permanent type of legislation?

This reaction from the government is not new. They give everything a temporary character. Nothing is clear in this bill. There is no detailed definition. Of course public order requires the respect of laws, and I am for it, but it infers in return that the government should respect individual rights. The proposed legislation barely touches on the problem and offers limited possibilities, except that it declares that an association is illegal and imposes punishment on those who belong to the said association, who say that they are members or participate one way or another in its meetings.

But who can prove that a person belongs to the unlawful association when no one even knows whether it issues membership cards.

Certain clauses of this bill grant to the government or the attorney general unlimited powers which could lead to abuses. Such powers confer full discretionay authority to the government. Why then pass legislation which will only apply to one association and to one province, Quebec in this instance? The Minister of Justice, in the explanations he supplied in the discussion at the committee stage, concluded by saying that the Criminal Code contains provisions allowing for the condemnation of persons deemed guilty of indictable offences.

Now, if the Criminal Code provides for punishment for crimes committed in October, why then was it necessary to resort to the War Measures Act?

The situation we have experienced and that the government would like to be carried on is extremely serious. We shall have to try, through every means at our disposal, to prevent the recurring of such a situation. We must tackle the task immediately and create a climate that would eliminate the ultimate causes which gave birth to the unlawful association.

We must also ponder over the consequences of the crisis we have just witnessed and particularly over our institutions. Democracy is so fragile a flower that it is seldom to be found under its most perfect form. It rests on a set of rules presupposing the agreement of the community. Should a group choose to live on the fringe of society and claim its own set of morals, every thing goes hay wire since it is true that lawfulness may exist only from a certain standpoint. Such is the case of subversion and terrorism. It is therefore inevitable that democratic rules be redefined. It becomes necessary to fight against a new danger for which there is no such thing as a traditional formula.

First of all, the citizens, and Quebecers in particular, should be given financial security and civil liberties. Right now, it is believed that civil liberties are significant, in theory only.

Our party has for too long preached a fairer distribution of production across the country. It is time that our voice be heard at last, because it is the people's voice which demands justice. The time has come to reform the economic system, to promote brotherhood and to adopt our economic as well as our social and political structures to man. The time has come to put money at the service of the human being, in order to remove the understandable frustration felt by people who do not receive their fair share of the national production.

Moreover, Mr. Speaker, if deep constitutional reforms must be contemplated to eliminate in Quebec the causes that brought about the unlawful associations, we believe that our Canadian society should show the necessary flexibility and broadmindedness. This is not the time for arrogance, but for understanding and dialogue; we have a country to build, not to destroy.

We strongly believe that the federal government from now on will have to enter debates on the constitution with a spirit of brotherhood and national reconciliation. Again, what is important is first that Canadians live decently. The constitutional framework must not be an obstacle in the way of the fulfillment of Canadians, including the people of Quebec.

• (8:40 p.m.)

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, for the next few minutes I intend to express my views concerning the causes that led to the troubles we have been through recently and which are probably not over yet, and my opinion on this bill which is before us for third reading.

It is about time, I think, that we should speak frankly. Ever since the crisis reached its height, I have kept my mouth shut because, in my opinion, we had to let the clouds clear and allow the present government all the leeway it needed to keep the situation well in hand and put a stop to terrorist activities.

First of all, I must say I am a true federalist, that I believe in a strong and United Canada, in mutual understanding but not in the submission of one of our provinces to the rest of Canada.

I totally disapprove of all the reprehensible acts of the FLQ, and support the position of my leader, that is, that the most energetic steps possible must be taken to safeguard what democracy we still enjoy.

I doubt that we should have to go over all the suggestions and amendments put forward by the various members of my party, or the opposition or even those of the government members, which, in any event, were turned down by the government although the Prime Minister (Mr. Trudeau) had invited us to make them.

All Canadians, and we members of Parliament above all, should stop to consider together the direct cause of all this effervescence in the province of Quebec during the past months.

The world has been shown a new image of Canada. In fact, forgotten are the red tunics, inflation, the Western Prairies, the dairy problem, the wheat problem; even our official recognition of Communist China—excuse me, of Red China—has escaped attention.

Suddenly, breaking through the government's political masquerade, economic, social and cultural problems have come to light.

Now is the time for speculation. Federalists or not, or attracted by all the world's ideologies, we are caught unawares, and even panicking. We must admit that the FLQ is the strongest in this whole matter. We must stop deluding ourselves and face reality. That is difficult and humiliating for each and every one of us. But this time, events that monopolize the mass media throughout the world do not originate in Asia, Africa or South America, but right here at home in the nice Catholic French Canadian province. "Is it possible?", respectable people ask.

To all hon. members opposite, I wish to say that they have become bourgeois under the cover of democracy, that such events had long been visible in our historical and immediate sky. We must not say that they take us by surprise.

The government was well aware of the situation, had been for a long time, but nobody was courageous enough to say what was wrong and, above all, to apply the appropriate remedies. The following question is raised: Why did it wait so long? Perhaps to let the events develop to such a point where he could save the situation and then be hailed as the great saviour of democracy. Thus with this new shield, he could continue to wheedle the Canadian people.

Mr. Speaker, this game can sometimes cost the life of innocent people. I see that several hon. members are shaking their heads and finding those remarks hard on the great savior of democracy. What to think about it? On what can those statements be based?

Can an answer be given to the following question: Why did not the government take heed of the many warnings given over a long period of time?

Let us recall some historical facts: the frustration of French Canadians faced with the arrogance of English Canadians after the conquest, their reticence at the time of conscription for the Boer War in 1901 and the 1914-18 war, the refusal of many of them to serve under the Union Jack during the 1939-45 war, the stand of the former Montreal mayor, Mr. Camilien Houde, on compulsory registration in 1940, a stand which got him a few years in jail at the expense of the federal government (what an honour!), statements by Louis-Hippolyte Lafontaine, Henri Bourassa, Canon Lionel Groulx, Maurice Duplessis, Right Hon. Louis St-Laurent, Daniel Johnson, the leader of the Ralliement Créditiste (Mr. Caouette), François-Albert Angers, Jean Lesage, Claude Ryan, René Lévesque and a great many others, all gave warning of what is happening today.

The leader of my party spoke in 1963 as follows:

> Separatism is a symptom of the injustice suffered by French Canadians. Most of these famous men were educated by old parish priests and still believe, as most of us do, that they must love their enemies. They were taught to turn the right cheek to whoever slapped their left one. They were taught not to kill. They therefore uttered strong protests against abuses, but they did nothing more than that.

[Mr. Beaudoin.]

• (8:50 p.m.)

Today however, young people have been educated by mechanical men, by learned fellows, by people who are engaged in a system of numbers and who teach only numbers to our students, who become what we know them to be.

The time to turn the right cheek is over. Movements like FRAP, citizens committees, the FLP, the MIS, the Vallières-Gagnon committee, the MLT and the latest, the MDPPQ, that is the movement for the defence of Quebec political prisoners, are movements that have had enough of holding out any cheek.

Mr. Speaker, the government has been getting warnings for a long long time. But it waited. For instance, why did it not take any account of the statements, supported by documents, made by Mr. Saulnier on October 11, 1969, when he said the following:

> We know that in Canada there are persons and groups of persons who work actively to realize a plan aimed at destroying all freedom in our form of democratic government and in this plan, the expression of the will of the people at the polls is excluded.
>
> In several instances, these people and these groups are inspired and financed by foreign political regimes belonging to an International whose ideas on basic freedoms are different from ours.

Why was there not an immediate reaction from the government when Mr. Saulnier and the legal department of the city of Montreal, through Mr. Michel Côté, appeared before the Standing Committee on Broadcasting, Films and Assistance to the Arts? At that time Mr. Côté tabled a number of documents found at the Company of Young Canadians headquarters and elsewhere. Those documents were leaflets entitled "Stratégie révolutionnaire" and "Mobilisation Numéro Deux".

In the event government members have never read these documents or to refresh their memory if they have forgotten Messrs. Saulnier's and Côté's statements, I would like to quote part of "Mobilisation Numéro Deux".

> Inevitably, the Quebce revolutionaries are led to get together under one word without losing their own personality. Whether they are now working with the FLP, FLQ, citizens' committees, unions, MLT, MIS, Vallières-Gagnon committee, they all participate in the same strategy. There are only two strategies: electoral strategy and revolutionary strategy. All those movements are fundamentally opposed to elections. That means therefore that they have chosen to overthrow established order through revolution.

Mr. Speaker, this same document unfolded a three-stage plan to spread revolution throughout Quebec. These stages went from radicalization, to spontaneous agitation and popular insurrection, including the armed occupation of plants, universities, schools and public services.

The description is complete: the objectives, the methods, the FLQ structure, its infiltration of organizations such as the Company of Young Canadians, etc. Even though the government does not usually give any consideration to the proceeding's of the committees, of the House, the ministers had other means to get information. They had only to read the newspapers or watch CBC television—the national network—to see and listen to

revolutionaries such as Pierre Vallières explain what the FLQ intended to do.

The Prime Minister (Mr. Trudeau) complained about lack of time and lack of warning. But Mr. Vallières himself warned him on the CBC.

Such behaviour shows some crass ignorance on the part of the government. I was somewhat amused when our Prime Minister expressed surprise one night in October 1970, on national television.

Why did the government charge that some political leaders were trying to cash in politically on these sad events? I wonder, earnestly and objectively, whether the government did not tacitly decide to do just that too by failing to react sooner to these events. That could cost a man's life, but, on the other side, are there not considerations that the government deems more important?

Mr. Speaker, while looking for the underlying causes of the problems that now bring the government to introduce the bill before us, I should like to remind the House that for the FLQ boys, our history starts much before 1867, a fact that some have tried to get across.

Is it not the English-speaking majority that says that since 1760 French Canadians are the sons of a conquered nation, that they are under-developed people and that they beg for dollars from Uncle Sam?

Is it not true that French Canadians rank 12th in Canada as far as their economic status is concerned? By the way, they rank just before Italians and Indians!

Her are some statistics published in *La Presse* of October 26, 1968 and taken from the findings of the Royal Commission on Bilingualism and Biculturalism.

Mr. Speaker, I shall only mention the main points which struck me. Thus, the French-speaking Canadian has an annual income which is $1,000 less than that of the English-speaking Canadian, i.e. a 20 per cent difference. All across the country, including Quebec, the French Canadian earns 12 per cent less than any other Canadian regardless of his ethnic origin. All across the country, except in Quebec, the English Canadian earns 10 per cent more than other Canadians. Quebec is the only province in Canada where a unilingual English-speaking Canadian will earn more than a bilingual French Canadian. But in Quebec, as far as the salary is concerned, French Canadians rank 12th, out of 14 nationalities. It is not I who say that, but indeed the report of the Royal Commission on Bilingualism and Biculturalism. English-speaking Canadians earn 40 per cent more than the other people of various other origins. After graduation from university, a Jew will increase his income by $4171, an English by $4007, an Italian by $3695, and a French Canadian by $3290. As a result, French Canadians are represented in only 3 per cent of all transactions made through the Montreal Stock Exchange, and they only hold 15 per cent of all the real estate title-deeds. The French Canadian businessman is but the servant of the English-speaking Canadian businessman.

I feel it might be well for all members to read closely the fourth volume of the report of the Royal Commission on Bilingualism and Biculturalism to find out what the real situation is with regard to French Canadians. It is not what one might imagine or what the prime minister would have Canadians, from one end of Canada to the other, believe it is, with his slogan: a united Canada.

Like the reactionaries, I see, in the present situation in Quebec, an abnormal situation. They chose to change that situation through means of which I categorically and totally disapprove. Yet, I do agree that it is high time that situation were changed.

What does the text of the FLQ manifesto reveal? Essentially, the situation in which we now live. We must admit that they are right when they speak of our economic and social colonialism. In short, who are we? Do we have our own little Israel to build, to fight for, to protect? Are we done for as a people, or are we getting bogged down irrevocably in the chaos of anarchy?

• (9:00 p.m.)

Who are these terrorists? Cowards, assassins, traitors to the French Canadian nation! You have to admit, they are a little of all that. But why did they become traitors, terrorists, cowards, assassins, "rejects of history", to use an expression of the prime minister? There are certainly reasons for their murderous conduct. What is the responsibility of society, of the government, of the other race? When a man catches rabies because a dog bit him, we treat the man and kill the dog. It looks very much to me as if we are now doing the opposite.

These men, these FLQ members, realized that they are a conquered, exploited people, strangers in their own province. They are people with high political awareness, who are fed up with the situation in which they are living. Many people are shocked by government inaction, as evidenced by all the movements I referred to earlier, and which have been swarming in Quebec since the time of the quiet revolution. The process of ogling the FLQ through fake governmental microscopes leads us to believe that this movement is made up of bad guys and hench men, but it, fails to show the movement's fundamental nature. We are now taking the weapon away without trying to cure the mind that guided the arm that has been aiming it.

In an effort to help solve the problem, a new definition must be found for this federation which is slowly sinking within the slime of bureaucracy and submissive and unco-operative federalism. Such is the new challenge facing our young country; build a country with the people, for the people, by the people, in one word, build a democracy.

This present upsurge of terrorism is, by way of consequence, a unique chance for us to pull ourselves together. The terrorists apparently are not bent on revenge; they would rather, as they have shown, try and raise their flag next to the one which the Canadian people have been flying for the past 103 years.

If we consider the situation in a positive state of mind, we can, I believe, derive therefrom something meaningful. Such a movement spurs us on, rouses us, jolts us into

the dynamism we need to build the country and a society which will be not only just, but human.

Mr. Speaker, this is no time for speculation or petty politics, but the time for great decisions. It is up to the right-minded to shake themselves and not become the victims of those who seek to overthrow the administration. Who knows but that the FLQ may be the prelude to many political upheavals throughout the whole of Canada.

To be sure, life in future will no longer be what it was in our country, Canada. The good times are gone. History is taking a new turning. Whither is Canada going? What will be its fate? Many a reply can come to mind, but one thing is certain. It all depends on how the government will be able to channel the existing forces to build or destroy our heritage.

Mr. Speaker, I suggest that our future will he quite different from the past. We must constantly legislate, adjust the country to the present time, stop living like in the Middle Ages.

This is the lesson the FLQ gives us. It is now up to us to take advantage of the situation in order to survive democratically. But most of all, we must not forget that the grievances of the FLQ are exclusive to Quebec. It is a movement that makes the most of the present situation, unemployment, poverty, regional disparities, differences between the two main ethnic groups, arrogance towards one another etc... All this strengthens the FLQ, while it weakens the administration.

As I said before, we must look beyond the realities. The powers that be and the authorities might bring in the army to crush the terrorist movement which besets and threatens us. A sociologist would no doubt say that society is ill, but a chemist would say that a catalyser is needed to activate the chemical reaction. Thus both will say the same thing, but with a vastly different vivid language. At that time, if you manage to understand fully the picturesque of people, odd as it may seem we will be in my view in the process of achieving democracy.

In conclusion, I would like to read into the record an excerpt of the letter which the Prime minister sent to my leader on October 17. I quote:

> It is with the utmost seriousness that I invited then and that I am inviting again today your suggestions with a view to amending the regulations, as well as those you could put forward concerning the nature and the contents of a new legislation. I shall show much eagerness in considering your suggestions as soon as you are in a position to submit them to me.

Mr. Speaker, the opposition parties and even some government members made suggestions which have almost all been rejected by the government. Thus, as recorded on page 1391 of *Hansard* for last Monday, an hon. member on the government side proposed an amendment which read as follows:

> That Bill C-181 be amended
> (a) by striking out line 10 on page 3 and substituting the following:
> "mental change within Canada with respect to the province of Quebec or its relationship to Canada as that"

[Mr. Beaudoin.]

Consequently, the bill concerns only Quebec now and not the rest of the provinces. In fact, it concerns only the associations or movements which want secession. What about other provinces? What about other associations or movements which would advocate a shameless federalism, a federalism of submission and not of co-operation!

Since this government proclaims that it does not want a special status for the province of Quebec, I wonder if its deeds are in agreement with his words.

Ever since this government states that it wants bilingualism at large, *a mari usque ad marem*, it brings in reports and orders commissions to study the problem. But when it rejects amendments moved by one of its own who is asking that the bill now under consideration should be drafted in good French, I wonder if its words are not in contradiction with its deeds.

Even after saying that it would take due note of all our suggestions, the government rejected nearly all of them and I am wondering once more if it is not acting contrary to what it is saying.

Mr. Speaker, I am also against the bill's retroactivity since it could not be justified. If any provincial or federal political party were declared an unlawful association as a result of illegal doings of one or more of its members, everyone having participated in the party's activity would be considered an outlaw and guilty. I wish to emphasize that if fully implemented, this legislation would infringe upon man's freedom to work for an association or a movement which is not illegal at the present time. If, for instance, a handful of PQ extremists committed reprehensible acts which interfered with the freedom of the Canadian people, and if this party were to be declared an "illegal association", then all the people who have been active in this movement since its inception would be liable to prosecution.

Mr. Speaker, this provision of the bill is altogether opposed to my idea of liberty. This example can be applied to my party as well as to any of the opposition parties, either federal or provincial.

Therefore, if this bill is not amended so as to be applicable to all provinces, if it is not drafted in proper French as requested by the member for Matane (Mr. De Bané), and if the retroactive provision is not amended, I will vote against it.

We were told "Enough of this nonsense", but which nonsense? Ours or yours?

[*English*]

Mr. David MacDonald (Egmont): Mr. Speaker, as we come to the conclusion of this debate I think it is important to reflect for a moment or two on what has been happening to us during the autumn. I think this period may well be regarded by those who look back on it as the autumn of extremes, because quite truly over the past two months, perhaps even more, we have been battered by two very dangerous and extreme elements present in our society.

One is the very obvious extreme of anarchy which this country has not suffered willingly over the past weeks. Anarchy is perhaps new in this form in our country but not in the world. Those who would take the law into their own hands, and those who would through acts of violence and terror seek to destroy a country or the moral strength of a nation really only ask for themselves an end that is chaotic, without purpose and of extreme danger to each and every citizen of the country concerned.

I think no member of this House and no rational and responsible member of society could accept for a moment those who would willingly impose, through criminal activity and force, changes in society. We have given an indication of that by the very rapid way in which the War Measures Act was agreed to by members of this House and also by the willingness with which the military forces of this country were brought into play.

If we have been the victim of the extremes of those who would resort to anarchy, there is also great danger that we may well be the victim of those who would seek to repress through the use of law. It is not altogether clear that a large percentage of the population of this country is concerned, but one cannot consider the regulations of the War Measures Act or, in fact, the present temporary public order bill without realizing that repression in many different forms has been introduced into this country with great speed and very widespread acceptance. To my mind the extent of its acceptance in no way justifies the validity of this measure the essential good it may do.

• (9:10 p.m.)

I believe all Canadians should be warned that in future they will have to be on guard not only in respect of those who would resort to acts of violence through blackmail, kidnapping and what-have-you, but also in respect of those who would willingly suspend the traditional processes of law in order to deal in a large-scale manner with the problems of anarchy.

From the beginning the Prime Minister (Mr. Trudeau) and members of this government have said there was knowledge which justified the actions taken. In the early stages it was not clear whether or not that knowledge was public, but in recent weeks the Prime Minister again and again has reiterated the fact that the information on which the government acted is well known. Some of us on this side of the House have not felt that the information was well known and attempts have been made to put that information on the public record.

If in fact we take the Prime Minister at his word, that in truth the facts are well known, then as one member of this House I would have to say that on the facts he has revealed and on the facts that other authorities have revealed there is no justification for the type of legislative or cabinet action which has been taken to deal with this crisis. It is, quite naturally, on that that the government will have to be judged.

Even if one were to agree for a moment that there was some justification on October 16 for the invocation of the War Measures Act and for the sweeping powers given the provincial authorities, surely the obvious question to ask on this last day in November is: Why now, a month or six weeks after the events of October 16, is the government asking for essentially the same powers it asked for in the heat of the moment and the crisis which developed on that occasion? What new arrests do the authorities contemplate? What new avenue of effectiveness do the provincial authorities intend to follow in an effort to rescue poor Mr. Cross, who in some way seems to have become almost a forgotten victim of the activities which have transpired? Why is it that now, at this distance from the immediate events of early October, the government must carry through until the end of April with this kind of sweeping and, I believe, repressive power?

Very shortly this legislation will be sent to the other place. It has been a fact of political life that the other place has existed from the time of confederation for the purpose of giving legislation a sober second thought. I would say from this place to that place that if ever there was a need for the other place to give that sober second thought, it is in respect of the type of sweeping powers being asked for in this legislation. Never was it more needed than now.

I earnestly hope that when the other place becomes seized with this temporary public order bill it will act, in my estimation, in a more responsible manner than this House has acted. I think that after the immediacy of the legislation and of the debate surrounding the immediate events in Quebec have receded into history, many of us will have to ask serious questions about what this extensive action has done to Canada itself. We will have to ask ourselves, in what way have we been able to bring together the people from different parts of this country, particularly the French-speaking people in Quebec and the English-speaking people who surround Quebec?

One feels increasingly that the walls of misunderstanding have been thickened, have been heightened, and that now more than ever there are, in fact, two solitudes in this country and that there is a pressing need to establish bridges of communication and understanding between French and English Canada. One cannot respond lightly to the precedents that have been established both by Order in Council and by the legislation which is before us, because I believe these precedents certainly have not been in the best interests of this country and, particularly, they have not been in the best interests of resolving some of the deeply ingrained problems which we face. It is true that the debate shortly will end in this House, but I believe the debate in the country is just beginning.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, the painful circumstances we have known prompt us to define our position accurately so that later, when everything has cooled down, when reason prevails again, we shall not regret decisions taken hastily because of highly deplorable circumstances. Mr. Speaker, to prove that the position

taken since last week by the Ralliement Créditiste is not unfounded and that it expresses at least in an avant-garde fashion the ideas that will soon be shared by the people of Quebec and of Canada, I would like to quote an excerpt of an article published in *Le Devoir* on November 27, 1970:

When Mr. Turner was asked what would happen if a terrorist organization should spring up in another province to defend federalism by violence, the minister answered that "the Criminal Code certainly has provisions with respect to the use of this type of violence".

This statement is rather disquieting with regard to the scope of the future emergency powers act. Will the future act also apply exclusively to Quebec? If the Criminal Code is adequate, according to the Minister of Justice, to fight possible terrorist outbursts in other provinces, why is it necessary to resort to special legislation in the case of the province of Quebec?

Let us not forget that this measure suspends some fundamental rights of citizens and goes further than the Criminal Code.

This article appeared in the newspaper *Le Devoir* under the name of Paul Sauriol.

From this statement, we clearly see that we are right in defending Quebec. Too many government members believe that once the right hon. Prime Minister (Mr. Trudeau) has agreed, everybody follows suit. Some are so full of dictatorial power that they think they will get instantaneous and universal support, without reservation or limit, under the pretext that all are indomitably against force, violence and terrorism. It is thought that an emergency powers legislation can be adopted as if we were a bunch of simple-minded, traumatized, frightened people, ready to accept anything upon the word of a government of which the least we can say is that it has shown inefficiency, conceitedness, casual arrogance well hidden under the protective wing of one of the three famous doves, the right hon. Prime Minister.

Mr. Speaker, in order to spare all kinds of feelings, the bill under consideration circumscribes and demarcates its purpose to the sole province of Quebec. The honour, the pride, the vanity of the entire country are involved; we hasten to restrict the problem to Quebec. The Quebecer becomes this scabby, repulsive animal referred to by Lafontaine in one of his fables as the source of all evil. Who is responsible for all the troubles. We, Quebecers! What have we to defend ourselves against such charges, such an evil? Nobody ever thinks that the many Quebec Liberal members, whose number is inversely proportional to their worth,—

Some hon. Members: Hear, hear!

Mr. Matte: —could take in hand the defence of the vital interests of the province.

We have seen the hon. member for Matane (Mr. De Bané) acting alone for a while. Since then, he has returned to the ranks. Nothing doing; the party is above the individual. There is no choice; it is "believe or die".

Thus we on this side of the House, Mr. Speaker, through circumstances, are the only ones who may in all freedom criticize objectively. No minor consideration will keep us from doing what has been entrusted to us. If other members are not prepared to consider this law with all the seriousness and thoughtfulness required, we do not have to do the same. In fact, we are the official opposition as far as Quebec is concerned. Therefore, we shall not let our rights, privileges and pride be ignored through the irresistible impulse of a Prime Minister who wants to break the Canadians from Quebec once and for all.

Why have we been in favour of the war measures? Merely because we thought that we were dealing with leaders who could assume their responsibilities, who knew what they were doing, who were aware of facts and details that we did not know, and because, in those tragic circumstances, it seemed appropriate and altogether normal to leave this government absolutely free to arrest the terrorists and, thus, to bring back peace in this country.

Unfortunately, we must, after due consideration, ask ourselves whether responsibilities were actually assumed. Of course, an escalation had to be avoided. Already a diplomat and a minister had been kidnapped. Other kidnappings could be expected. This is why we were in favour of invoking the War Measures Act.

However, when it is a matter of voting for a measure aimed at ending violence and terrorism, then, we must take our responsibilities. The War Measures Act was not drafted by us. Besides, it was never directed exclusively at Quebec, that I know, and it being the case, we would still prefer the War Measures Act to other legislations which would place sole responsibility on Quebec.

Therefore, it is essential to fully analyze the situation and to ask ourselves to what extent our leaders could have been mistaken and have not, in their own way, resorted to terrorism.

I should like to endorse a statement by Mr. Fernand Daoust, of the Quebec Federation of Labour, before a delegation of the Quebec Labour Council, contained in a release to the newspaper *La Presse*. He pointed very accurately to the various responsibilities of the government I quote:

The labour movement squarely opposed the War Measures Act because it never believed that the reasons put forward by the Trudeau government were grounded.

To try and make the Quebec people believe that there was, at a given time, a state of apprehended insurrection amounts to a practical joke, he added. The history of revolutions throughout the world proves beyond doubt that when insurrection broke out in some countries, the workers were largely part of it and were involved in demonstrations aimed at overthrowing the government.

In Quebec, since the Cross-Laporte crisis, at no time did the organized workers consider coming down into the streets and overthrowing the government. In factories and offices, the workers, though worried, had no intention to start partial or general strikes. That is why the labour spokesmen started to question the reasons put forward by the three governments involved to invoke the War Measures Act.

And Mr. Daoust added:

This unbelievable rumour spread by the government is quite in the line of thought of Canada's Prime Minister who had said a few months before his famous words "Enough of this nonsense." This appeal from the Prime Minister pointed to a certain

form of political repression and the action taken by the government in the last two weeks reveals that the political strategists of the Trudeau government chose to condition the Quebec people psychologically.

All in all, continued the FLQ's leader, it is an attempt at brainwashing designed to connect terrorism and violence with all those who, in our society, are opposed to the present status quo. It will be recalled that the leader in this field was Senator McCarthy who, in the United States, launched the widest witch hunt in modern times. It is unbelievable that after 15 years, McCarthy has still so many imitators among the politicians of this country.

The FTQ, recalled Fernand Daoust, was violently opposed to terrorism as a political means of action. The FTQ has repeatedly denounced the FLQ over the last few years; it cannot however yield to collective hysteria and operate with those who, in the name of the fight against terrorism, are prepared to trample the most sacred liberties of a community.

• (9:30 p.m.)

That is why our organization has deemed proper to make its voice heard and to caution the Quebec society against the dangers of any interference with the civil liberties in a society like ours.

That is a quite appropriate clarification, in my opinion, of the circumstances surrounding the violence unlatched in Quebec in October. And when it is suggested—and I agree with that suggestion—that it is the lack of responsibility on the part of the leaders that is to be condemned, I would like once more to give as proof some facts which show beyond any doubt that the leaders—particularly those of Quebec—had every possibility to crush the FLQ at the very beginning, but that they failed to do so.

When one reads in the Friday November 20th issue of *Le Soleil* an article by Lionel Bernier dealing with the Maison du Pêcheur at Gaspé, it is obvious that the statements made in the past two years by the mayor of Percé and that nobody believed or pretended not to believe, marked the beginning of the ensuing crisis.

I would like to quote that article in order to make the situation quite clear.

About the people of Percé, it says:

Attacked in their own town by strangers who wanted to lay down the law, the people of Percé got their backs up. They already felt that the action of those young people who lived beyond the fringe and who had an obvious taste for destruction was a bad omen.

They appealed to the government for help. However, they were told that they were witch hunting in broad daylight. Annoyed, the people decided to take the law into their own hands. Then came the famous night of the water spraying.

Then events occurred in quick succession. The Maison du Pêcheur and its leaders made the headlines and posed as Robin Hoods in a latter-day Sherwood. Rose, Simard, Arène, Lortie, Beauchamp were in the limelight.

Last summer, a new start, a new Maison du Pêcheur . . . libre this time, and the citizens of Percé and Grande-Rivière were hit again. There was an uproar in the court-house, repeated insults against authority, and to top it off, during a Court of the Sessions of the Peace hearing, after the judge had had to put up with rude interruptions, someone wrote in a window-pane looking into the court-room, the word "merde". And in red paint, on the outside brick wall of the building, facing the road, the words, FLQ will overcome.

Is this not clear enough? Was this not obvious enough? Perhaps some people thought that FLQ stood for Fédération libérale du Québec. And the story goes on as follows.

Officials of the town of Percé, after doing every effort to prevent the opening of the Maison du Pêcheur, after denouncing the promoters of the project repeatedly and warning government authorities against their negative action, had to put up with it after all.

Mr. Abnerd Biard whom we met at his home a few days ago, made this meaningful comment: "I had warned the government. They replied that these people were harmless,

—the Rose brothers, Simard "harmless" people—

that they were school kids. I was told not to attempt to use any violence to drive them out of Percé. Today, we see what is happening. Prevention is often better than cure."

When people go as far as threatening he who precisely wants to expose the real terrorists, we start wondering.

Mr. Biard squarely accuses the two successive Quebec governments with failing to assume their responsibilities when there was still time.

"Nobody ever believed me when I stated that La Maison du Pêcheur was a terroists' retreat. Yet the FLQ sign was written out in full over all their walls. What is more, they painted it over our signs and our walls. Their whole behavior bore the impress of hatred and violence.

"They laughed at us when we told them that those fellows had no morals, that they indulged in drugs, that they lived as hogs".

"And again this year, when I requested police help, the Minister of Justice implied that I wanted to build a ghetto in Percé, that I was a fool. According to him, we were the ones causing all the trouble in our own community!

"I received threats by mail once during the summer. I heard people saying it was just a joke.

"The Maison du Pêcheur did publish and circulate two manifestos like the one that came out before the Labour Minister's murder. Violence was strongly advocated as the sole means of overthrowing the government. Slogans like this one appeared in writing: "People of Gaspé, let us unite and hit wherever it seems proper".

And where was the hon. member for that constituency at that time?

"In spite of all this, the authorities never did anything. They waited until the FLQ made its move.

"Instead of coming to my assistance, a policeman called during the summer and checked my rifles, warning me that if a shot was fired I would be first on the list of suspects, because of some old guns that were never used. That is the kind of protection I was offered.

"That is why, all summer, we settled for enduring the hippies, letting them insult us, threaten us and carry on their propaganda in favour of destruction and hatred. We were alone to defend ourselves, we had to make up our minds to that."

Mr. Biard goes on at length in this tone. He fails to understand why the Justice Department did not take action while it was still time. Or rather he explains it through infiltration of FLQ members within the government itself. According to him, the FLQ members in Percé enjoyed the protection of top men in the Quebec administration. He repeats that in the final analysis. The events simply confirmed his predictions over the past two years. He explains that violence was preached with the blessing of the authorities and of the police force. One day or another, according to him, it was bound to end like it did.

And he thinks that it is not over because too many influential people are involved. However, there will not be another Maison du Pêcheur at Percé. In addition, he states that there will be no more youth hostel, as he thinks both institutions are to be

put in the same bag. And if, this time, Percé does not obtain adequate protection, they will take the necessary measures to ensure it themselves.

Mr. Speaker, if I took the trouble to read all this report, it was indeed to clarify the situation and prove that there was negligence on the part of officials in all this story, that they were afraid to stop these trouble-makers from the start. It is to be wondered if some did not want to take advantage of that in order to establish a system aimed at absolute control. In other words, Mr. Speaker, it seems that this situation is taken as a stepping stone towards dictatorship. That is what I think when I read about such events. And when nothing was done to stop them while it was not too late, it is easy to see that the agitation of these recent times was to be expected and that the authorities seemed to anticipate it. They were eager to see it happen so as to use it afterwards to establish another kind of terrorism.

And I come back to this statement in order to confirm the eagerness with which they tried to exploit the whole terrorized population. Furthermore, when the right hon. Prime Minister announced on the very day of the unfortunate murder of Pierre Laporte: Madam, it could be you or your children tomorrow, and where he was engaging in this gross demagogy, in order to break and to control all the better, Quebec, we had us part of it.

If the government is able to explain in a serious and credible manner that there has been effectively a real conspiracy, an insurrection, we will understand why all these measures were taken.

But, when we know that it was aware of what was going on and did nothing about it, even pleased with the fact that it had happened, in order to take a better control, that makes me quite unhappy. As a member of Parliament, I feel I must denounce this attitude.

In view of all those considerations, I am forced to vote against that bill which is absolutely inadequate, and which, in addition, constitutes a slap in the face of the Quebecers who in the end have to pay the piper. So, the time has come for the members, and especially those from Quebec, to denounce those methods. We still hope to convince the government, so anxious to pass another emergency measure to replace the War Measures Act, to display some wisdom. We understand quite well that because of all it implies the War Measures Act is not quite adequate, but this bill—as all my colleagues pointed out—does not in any way take our suggestions into account. As the leader of the Ralliement créditiste (Mr. Caouette) said himself; What is the use of asking for suggestions when the bill is already being printed?

We have been so ridiculed and downgraded that we are beginning to have enough and to ask that logic and reason prevail. It is too easy to say that the people support the government, because they merely want protection. This is an emotional and spontaneous reaction. Of course, the people want to be protected and all trouble makers to be arrested. That is obvious. It is not because 80 per cent of the Canadian people agree that terrorists are arrested. It only means that the population supports the government. Because it is in power, the present government gets support, considering the circumstances. And taking the situation into account, I think the government did not act with the required competence, with honesty and once again failed in its duty. Sooner or later, the people will recognize those facts and share my view.

• (9:40 p.m.)

[*English*]

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I did not want to speak on third reading and I shall only take a few moments.

Some hon. Members: Hear, hear.

Mr. Woolliams: We have come to what appears to be the end of the debate and we are in this position: Before this bill came to the House, the War Measures Act was implemented by Order in Council of the government. Then the Prime Minister (Mr. Trudeau) and his government came into the House and asked the House to approve the War Measures Act and whether they had the confidence of Parliament and the country.

We in this party took the position that we would vote for the War Measures Act on the ground that another bill would be introduced. We now have that bill before the House. Most members must find themselves in a dilemma, because if they vote against this bill and it is defeated, we are back to the War Measures Act. I am not going to attack the Minister of Justice (Mr. Turner) personally tonight in any way, shape or form. We have had our say, we have moved our amendments and they have all been refused. But if this bill were to be defeated by a vote of the House, then we are back to the War Measures Act.

This bill is far from what we would like. In Toronto, where the game between the Alouettes and Calgary took place, in which Calgary did not seem to do as well as might have been expected, the Prime Minister lumped the whole opposition together, so I should take a few moments to put our position straight.

Some hon. Members: Hear, hear!

Mr. Woolliams: We intend to vote for the bill. If we do not, we will be back to the War Measures Act and its all-encompassing powers. I should like to read into the record figures on the time spent in this debate. I think it has gone on far too long, and I am sure the Minister of Justice would confirm that many times we have asked that it come to an end. The government have spent 603 minutes, or 10 hours 3 minutes, on the debate. The total opposition have spent 1,656 minutes, or 27 hours 36 minutes, of which the Progressive Conservatives have spent 565 minutes, or 9 hours 25 minutes. One of our members took an entirely different viewpoint to that of the party, so if you subtract his time you might say we took about 465 minutes apart from tonight.

In Toronto the Prime Minister said that the opposition has been holding up Parliament. But it certainly has not been the official opposition. The Progressive Conservatives have not held up this debate in any shape or form.

Some hon. Members: Hear, hear.

Mr. Woolliams: We feel that we have taken a very responsible position. If the Prime Minister wants to misrepresent that fact, that is his privilege. When he made that statement he knew he was hiding the true facts. He will not get on with solving unemployment and all the other economic problems of the nation and he needs an excuse for his own and his government's inadequacies. I think it is time, on third reading, to point out where we stand as far as this debate is concerned.

I emphasize that none of us in this party likes this bill. Our amendments have been turned down. However, we are realistic enough to know that if we vote against the bill and it is defeated, we back to the War Measures Act which gives extraordinary powers in every field, without any remedies. Every Member of Parliament is in a dilemma when it comes to voting, and the responsibility for this is on the shoulders of the government.

In this House, during the question period and on other occasions, we have asked and asked and asked what the position is so far as prisoners are concerned and those who have been arrested under the War Measures Act. Today the mistreatment of those prisoners was exposed. Whatever their crimes may be, whatever they may have done—even those who have not yet been caught, like Rose and his cohorts—in a democratic state, under the rule of law, they are entitled to be treated with dignity and humanity. They have not been treated with dignity and humanity, and the government has refused to shoulder its responsibility.

We know the trick. When this bill supersedes the War Measures Act the government will say it is a provincial problem if prisoners are being mistreated. When I asked the question today I was glad to see that the Minister of Justice stood up and took his responsibility. I hope he will continue to answer questions in the House in reference to these matters.

As far as I am concerned, the mistreatment, the secrecy and the lack of responsibility of the government is something they will have to explain, not only to this chamber in the future but to the people of Canada and particularly to the people who have been arrested without charge and detained. If the amendments proposed to the bill had been accepted, there would have been a remedy for these abuses; they could have been brought to light; the parties in question would have received redress had they asked for it.

Tonight we are faced with voting to approve a bill we do not like. If we turn it down, we will get something worse. That is the dilemma facing the opposition, and the responsibility for the situation lies with the government. When the government moved to implement the War Measures Act, we asked for a bill with these remedies and they have been refused. This is the situation, Mr. Speaker. We in this party are prepared to vote and have been prepared to do so for days.

If the Minister of Justice wished, he could confirm that on behalf of this party I have asked and asked that the debate come to an end so we could get on with the other business of the country, particularly that aimed at solving our economic problems. The people of Canada know they are facing the toughest winter since the 1930s. The number of students who did not find employment last summer will be doubled by next spring when they get out of university and college.

An hon. Member: Two wrongs do not make a right.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to explain a situation which should once again be made quite clear.

I understand the point of view of the previous speaker, but I am amazed that time should be so precious when we are discussing such an important matter.

We have taken a logical attitude, when we asked that the new legislation be given a country-wide scope. Has the War Measures Act, which is national in scope, not been put in effect at the request of the Quebec government?

In my opinion, when Bill C-181 becomes law, it should be applied at the request of any provincial government. We have sufficiently devilled on the matter, I believe, to be well understood.

Secondly, we are told that if the present bill is not passed by Parliament, the War Measures Act will be enforced until it is recalled.

Well, for honest people, for people who are at peace with their conscience, the War Measures Act is nothing to worry about as it is solely directed at those who are against common sense, who approve of disorder and terrorism. In fact, it only applies to a very small minority.

And I wish the ideas of our country were taken into consideration in this matter. We did not plan any filibuster in this regard, but through democratic means and according to parliamentary procedure we have tried to have the word "Québec" crossed out so that the act would apply to the whole of Canada rather than to one province in particular. In fact, I feel that the Minister of Justice (Mr. Turner) has a great enough sense of justice to have appreciated our point of view quite well, because we have had the opportunity to discuss this matter not only in the House, but also outside, and in a most private manner.

So, I would like us to be considered not as people trying to delay our proceedings but as members wishing to fulfill their obligation as objectively and as sincerely as possible.

• (9:50 p.m.)

[*English*]

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): The question is on third reading of the bill. Is it the pleasure of the House to adopt the said motion?

Proceedings on Adjournment Motion

Some hon. Members: No.

Some hon. Members: Yes.

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

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Pursuant to the special order made earlier this day, the recorded division on the motion now before the House will be deferred and will be set down as the first order of government business for tomorrow's sitting.

* * *

BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, would a member on the government side give us a rundown of the business for tomorrow?

Mr. Jerome: Mr. Speaker, as the first item of business tomorrow we shall proceed with the vote that was the subject of the order of the House this afternoon. Following that it will be our intention to call the co-operatives measure of the Minister of Consumer and Corporate Affairs. Then we shall call the Buffalo and Fort Erie bridge bill, followed by the merchant seamen compensation bill and then the packaging and labelling legislation. We prefer to leave open the possibility of our making a further announcement concerning the business for Wednesday.

Mr. Basford: There is also the weights and measures bill to be considered.

An hon. Member: Ten o'clock.

The Acting Speaker (Mr. Laniel): Does the House agree to call it ten o'clock?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

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

REGIONAL ECONOMIC EXPANSION—DEPARTMENTAL STUDY OF IMPLICATIONS OF NATIONAL DEFENCE BASE CLOSURES

Mr. Doug Rowland (Selkirk): Mr. Speaker, on October 26 I asked the Minister of Regional Economic Expansion (Mr. Marchand) if he would make public the report of his department concerning the regional economic implications of Canadian forces base closures. The minister's reply was as follows:

> —there is no question of making a public report. Nevertheless, this question is under consideration since the cabinet decided to close the two bases and, by the way, I shall be going to Manitoba very soon to review with the Manitoba government the best means of correcting the unfortunate consequences of these two base closures.

There are three points to note in the minister's reply. Firstly, we still do not know whether or not there is a report on the regional economic implications of base closures, although I have it on good authority that there is. If there is no such report, I suggest that that fact represents gross negligence and an appalling lack of interdepartmental co-operation by the government. Secondly, if there is a report, the minister has decided not to make it public; and thirdly, the minister intends to assist areas affected to overcome the adverse effects on their economies.

With respect to the third point, Mr. Speaker, I would say that the minister has been most co-operative, and if results measure up to the degree of co-operation which he has manifested we shall be most happy. However, I must also say, with all deference, that government offers of aid to achieve economic recovery are really beside the point, because citizens have the right to expect no less from their government; they are entitled to the kind of assistance which the government is prepared to offer.

The point to which I wish to address myself is the second, the seeming unwillingness of the minister to make public the information pertinent to a proper assessment by the public, and especially by residents of the areas affected, of a government decision having a profound effect upon the economy and social structure of a number of communities in the nation.

I should like to illustrate my point by referring to the effect of the closure of Canadian forces base Gimli upon the community of Gimli and the economy of the Interlake. The closure means a loss to the Interlake in excess of $7.3 million a year in salaries and wages. It means a reduction of 35 per cent per annum in total federal government expenditures in the Interlake. Closure of the base will mean a population reduction in the Interlake, mainly in the town and rural municipality of Gimli, due to the migration of military personnel and their dependants. The total number of persons involved is 2,394, or 42 per cent of the town and rural municipality of Gimli, the population of which totalled 5,660 persons. These figures are agreed to by officials of the Department of Regional Economic Expansion.

In short, Gimli is fighting for its life and the economy of the Interlake, an area selected for special attention for economic upgrading by the federal and provincial governments, has been dealt a body-blow. In such a situation it is only logical that the people affected should demand to know how and why their area was selected to suffer. They want to know the criteria which were employed in

selecting the bases in their area for closure. They want to see the studies which ostensibly justify the closure, so that they can assess the accuracy of the information which such reports contain. These people are fighting against a potential economic disaster and they have been denied access to information which could make their fight effective, information which was accumulated—I emphasize this—at public expense.

To the best of my knowledge, there are three reports extant dealing with the subject of Canadian forces base closures. Two of them have been produced by the Department of National Defence and one by the Department of Regional Economic Expansion. Not one of these reports has been made public. This leads one to ask, why not? It also leads one to suspect that the government's decision was brought down on the basis of considerations other than those contained in the reports.

I am not saying that there is of necessity anything wrong with the government's rejecting the advice of its public servants. What I am saying is that when the government makes a decision, the public has the right to know upon what facts it based its decision. The public also has the right to sufficient information, to be able to judge the wisdom of that decision. In short, such reports should be made public and if the government's decision can be questioned on the basis of information in the reports, then the government should be expected to explain its position.

This country is troubled, as are most other countries in the world, by a growing mistrust on the part of the populace of the institutions of government. It is troubled by an increasing reliance, by the young especially, upon extra-institutional means of expressing opinions and seeking changes in policy direction. I speak of demonstrations violent and otherwise. I submit, Mr. Speaker, that one of the major contributing factors to this unrest, to the attitude of the public that the government stands apart from it, that it is not a means through which the community acts collectively in its own interest but is, instead, an opponent, a vague "they" which imposes decisions upon the public, is due to the hoary old tradition of keeping internal reports secret and not trusting the public with the information they contain.

• (10:00 p.m.)

This government has talked about participatory democracy. Meaningful and effective participation by the public in the governmental process must be predicated upon the public having adequate access to key information. Why not make such reports public as a first step in this direction? The Minister of Regional Economic Expansion has often indicated a lack of respect for sacred cows. This is one that could be abandoned, with immensely beneficial effects upon Canadian society. I call upon the minister to begin breaking the tradition of secrecy by making public, the report of his department dealing with regional economic effects of Canadian forces base closures.

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I apologize to the hon. member for Selkirk (Mr. Rowland) for not being in the House when he began his remarks. Perhaps the adjournment proceedings began a little before ten o'clock and I was a few moments late.

I share with the hon. member the strong interest in having maximum information available, not only to the members of this House but to all Canadians, particularly those affected by economic circumstances which bring very painful effects to their communities and those who find themselves struggling to arrive at solutions. The Department of Regional Economic Expansion participates very actively and keenly in the multidepartmental teams that are formed to examine the adverse social and economic consequences of base closures. Such was the case with the two bases being closed in Manitoba. We are concerned and interested in doing everything we can within our departmental jurisdiction to mitigate the difficulties. Everything possible is being done under the incentives program to attract new industries to supplant the economic activity that is lost through the closing of bases.

The hon. member referred to some formal studies. I have been informed that no formal studies such as the type referred to at page 553 of *Hansard* exist in the department. There are necessarily studies of a nature in which officials are involved from the point of view of the department examining how its responsibilities can be brought to bear upon the dilemmas faced by these communities. As far as I am aware, there is no formal study of the nature suggested by the hon. member.

I know the hon. member attended, with a delegation from Manitoba, upon the minister and senior departmental officials to put the case of these communities before the government. This was very useful. The department is actively involved and concerned with finding solutions. It is a very beneficial process. We are doing everything we can to attract enterprise.

Fortunately, the two bases referred to by the hon. member are in the designated region of Manitoba. There have been from organizations some very interesting proposals on how to develop Rivers, in particular. One such organization is the Manitoba Indian Brotherhood, with which I am sure the hon. member is familiar.

The Acting Speaker (Mr. Laniel): Order, please.

FINANCE—SIZE OF INCREASE IN GROSS NATIONAL PRODUCT—TAX RELIEF MEASURES TO STIMULATE ECONOMY

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I think I am supposed to talk about the budget of next Thursday night and somewhat lift the veil of secrecy that has surrounded it until now. On the other hand, I think if I were Minister of Finance, one of the more difficult positions to fill in the House, I would approach the budget on Thursday night from several standpoints. First, I think I would approach it from the standpoint of

housing, in which I have had an interest for a long time. I think we can, that we must, do more to give every Canadian his or her fair share of housing. I do not think there are many shibboleths to be cast aside when one deals with that matter.

I think one has to realize one cannot do this sort of thing by adopting the traditional marketplace approach to housing. Housing must be something that a person can afford and that a person must have. While one must rewrite certain rules in the book in that regard, they are not terribly difficult rules to rewrite. I think I could do it. I think CMHC could do it if given free rein. I think almost any member of this House could do it.

The second thing I would do if I were called upon to present a budget to the country on Thursday night is deal with the field of income tax. I do not think there are very many things to be worried or bothered about in the field of income tax. I think one has to have due regard to incentive. If I had to present a budget on Thursday night, I would give Canadians the thought that they could keep a little more of what they had or what they earned.

On those two things I would rest my case. If a person can earn as much as he wants to earn and be allowed to keep a fair amount of it, then that is fair enough. Secondly, if he wants to house his family in a certain way, that is also fair enough. On those two points I would be inclined to rest my case and see what the world could do against it.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I should like very much to thank the hon. member for his sneak preview tonight. I can assure him that the government always listens with care to his concerns and his recommendations, and no doubt he will have noted that from time to time they have been reflected in legislation and policy.

The hon. member has also noted that a budget speech is to be delivered by the Minister of Finance (Mr. Benson) on Thursday evening. In view of the short lead time, it may be difficult to credit him fully with such of its contents as may accord with the sneak preview he has given us tonight. Nevertheless, the hon. member, reasonable as he is, may agree to wait until Thursday evening for a definitive response to his question.

THE CANADIAN ECONOMY—TAKEOVER OF RYERSON PRESS BY UNITED STATES COMPANY

Mr. John Burton (Regina East): Mr. Speaker, this afternoon I asked the government whether it had reconsidered its approach concerning Ryerson Press and whether it was going to take action to prevent this concern, important to Canadian culture, education and the maintenance of a Canadian identity, from being taken over by a United States publishing firm, McGraw-Hill Company. Previous to that I had asked for leave to move for adjournment under Standing Order 26 on this subject. Today is the last day prior to the completion of the sale. This is the second firm within recent months to be taken over by a United States publishing concern, the other being the textbook division of W. J. Gage and Son.

[Mr. McCleave.]

• (10:10 p.m.)

The issue before us is critical. Much has been said about foreign ownership in the Canadian economy. For the most part this involved production and handling of goods and materials. Now the question of Ryerson Press involves the question of Canadian education, culture and identity. It is a matter of national concern that a major Canadian publisher of school textbooks should be sold to foreign interests. It is important that there be Canadian-owned facilities for printing textbooks for Canada.

The government has sloughed off many questions by claiming this industry does not lend itself to federal action and that it is a provincial responsibility. Indeed, the record of the provincial government of Ontario is no better than that of the federal government. It was pointed out that the federal government was able to take action concerning Denison Mines, and there are other examples in fields of broadcasting, banking and so on. The reply was that the federal government did not have the same authority as it did in fields such as uranium and banking to deal with this particular problem. This might be granted, Mr. Speaker, but it does not exhaust the avenues of action open to the government. I suggest that where there is a will, there is a way. The Liberals of Ontario wanted to take action. The federal Liberal conference wanted to see action taken. Even the other place wanted to see action, but the Prime Minister (Mr. Trudeau) and members of the government hid behind the Constitution.

I suggest that we cannot stop the erosion of Canadian independence by saying we will start tomorrow. If the government's attitude on this matter is a forerunner of its long-promised policy statement on foreign ownership, we do not have much to look forward to. If in fact there are jurisdictional problems, this has not stopped the federal government from undertaking a study of the printing and publishing industry which has not yet been made public.

It has been shown that even the threat of action is sufficient to stop some undesirable developments. If we had a Canada Development Corporation, to examine another alternative, it could provide the capital necessary to maintain Canadian control. Other means could have been found to enable potential Canadian buyers to obtain sufficient cash to complete a deal.

It may be noted in this regard that the management of Ryerson Press may not be entirely free of criticism for its past practices. The Combines Investigation Act will come up during the current session and revisions are to be made. I suggest we need to expand on its provisions to prevent this type of takeover. Another alternative is to establish a Canadian book-publishing corporation similar to the film development corporation. In fact, an attempt was made to present a bill in this regard by the hon. member for Skeena (Mr. Howard).

The government has tried to indicate that it did respond to Ryerson representations last spring, and correspondence was tabled. I have checked into that correspondence in this regard. First of all, the United Church

officials wrote the Minister of Industry, Trade and Commerce (Mr. Pepin) as follows:

> During the past three years in particular, the Ryerson Press has experienced almost disastrous difficulties which undoubtedly would have culminated in the wind-up of the business were it not for the fact that the United Church, as sole owner, guarantees its line of credit with the bank, and this enabled it to obtain financial assistance which, on the basis of its own assets, would not have been available.

The letter went on to analyse some of these basic difficulties and stated:

> It is a matter of considerable concern that colleges and universities, either being newly established or experiencing mushrooming growth, have quite frequently stocked their libraries entirely through American book jobbers.

Then later on the letter stated:

> We have therefore decided that if a purchaser can be found, the Ryerson Press must be sold. At the present time, the only firm showing genuine interest is American.

The letter goes on to state they would be most unhappy about this development, and asks the government to accept a proposition whereby this could be avoided. The minister replied in a very non-committal way and said his officials would be around to see them. The United Church gave its reply on June 29. These representatives did not keep up the pressure as I thought they might have, but this still does not excuse the government for refusing to accept its responsibility and failure to take eleventh hour action that might have saved the situation. This lack of action until now must be classed as criminal negligence. There is still time in which to act, although only an hour and a half remains. I say, act now.

Mr. Bruce Howard (Parliamentary Secretary to the Minister of Industry, Trade and Commerce): Mr. Speaker, I should like to make a few remarks in respect of the proposition suggested this evening by the hon. member for Regina East (Mr. Burton). I wish to say the government is concerned about this very serious matter and has expressed its concern in a very tangible way. It has instituted a study by a responsible firm of business consultants. That study has been received by the government. It is being studied at the present time. As soon as it is printed and available, the report will be considered in consultation with the principals of the industries concerned in Canada and with the provincial governments concerned.

As has already been pointed out, the area of school textbooks is one which is under provincial jurisdiction. The government is not hiding behind the Constitution; it is respecting it. We believe it is our responsibility to see that the province of Ontario in particular is consulted in respect of this very important matter.

The hon. member referred to a letter from Dr. Brisbin of the United Church of Canada in which some of the problems regarding the operation of Ryerson Press were outlined. However, the hon. member failed to read the whole paragraph. There are other problems regarding Ryerson Press. I should like to read the part of Dr. Brisbin's letter which refers to some of the other problems. He states:

> Some of the factors contributing to these difficulties were located in our own management and in adverse developments within the church which reduced the church's needs both for printing and for publications.

He goes on to mention some of the problems referred to by the hon. member. I want to point out that these are concerns and problems which are beyond the control of the government in any event. The government, however, is concerned about the matter. The same concern was also registered at our Liberal policy convention about ten days ago where in two resolutions the members of this party expressed very firmly their concern about this matter by an overwhelming vote. This is an indication of the seriousness with which we view the matter on this side of the House.

As soon as the report is printed, which will be very soon, it will be studied by those concerned outside of government and in government. I can assure the hon. member it will be acted upon as soon as policy can be formulated. I remind the hon. member, also, that the Minister of National Revenue (Mr. Gray) is preparing an in-depth study of this particular subject as it relates to problems of foreign ownership in Canada, which will be submitted to Parliament in the form of legislation in the near future.

The Acting Speaker (Mr. Laniel): Order. I regret to interrupt the hon. member, but I must advise him that his allotted time has expired.

Motion agreed to and the House adjourned at 10.21 p.m.

HOUSE OF COMMONS

Tuesday, December 1, 1970

The House met at 2 p.m.

PRIVILEGE

MR. STANFIELD—CORRECTION OF ERROR IN STATEMENT ON WHITE PAPER ON INCOME SECURITY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, yesterday in the course of speaking on motions and addressing myself to the government's white paper on welfare I made a statement which I should like to change because obviously it is incorrect. Based on a quick reading of page 33 of the white paper I made the statement that it involved a reduction of $175 million in the amount the government proposes to allocate for family benefits. Upon rereading this page later in the day I could see I was clearly wrong in saying that.

ROUTINE PROCEEDINGS

[*Translation*]

TRADE

TABLING OF STATEMENT ON ENLARGEMENT OF EUROPEAN ECONOMIC COMMUNITY

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, under Standing Order 41(2) and with leave of the House, I would like to table copies in both official languages of a statement concerning the enlargement of the European Economic Community and to give a verbal summary of it. I wish also to have this printed as an appendix to *Hansard* if hon. members agree.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's Note: For text of statement referred to see appendix.*]

Mr. Pepin: Mr. Speaker, in my recent talks with English and European representatives responsible for the negotiations, I highlighted four main themes:

1. Our concerns about the negative effects of E.E.C. enlargement on Canada's access to markets and on the framework and patterns of world trade.

2. Our conviction that in some instances mutuality of interests exists between Canada and Britain and the E.E.C., should bring about agreements beneficial to all.

3. Our intention to bring into play at an appropriate stage the contractual rights and obligations, under bilateral arrangements and under the GATT, which would be affected by E.E.C. enlargement.

4. Our views as to the importance of developing new initiatives for freeing of trade during the period of European negotiations.

In discussing the direct impact E.E.C. enlargement would have on Canadian trade, I drew a statistical picture of the changes in access terms which our exports to Britain would face if that country adopted the E.E.C. Common External Tariff and the Common Agricultural Policy unchanged.

It was essential for all negotiating countries to know that almost 70 per cent of our exports to Britain would be adversely affected if this took place.

As regards the more general implications, I emphasized the danger of polarization of world trade into inward-looking rival blocks.

I urged that the European Community use its influence to facilitate and encourage continued expansion of trade on a world-wide basis and not only within its own grouping of member and associated countries. If E.E.C. enlargement mainly has the effect of limiting and diverting trade from third countries, the Community itself would lose over the longer run in terms of consumer and producer costs. Moreover, outside suppliers could not remain indifferent to the loss of important traditional markets for their goods in the E.E.C. and in the countries associated with it.

Britain has already told the E.E.C. that it is prepared in principle to accept the Common External Tariff and the Common Agricultural Policy.

Certain special arrangements which Britain is seeking in its own interest could help some of our exports. Nine of the twelve industrial materials for which Britain has requested special arrangements are of interest to Canada. Needless to say, there will also be a transitional period for the necessary adjustments.

Mr. Speaker, on the basis of my discussions with European leaders, I can say that Britain and the E.E.C. are prepared to maintain a two-way flow of views and information with Canada throughout the negotiations. They are also willing to explore with us areas where their interests may, to some extent, coincide with our own.

It would be misleading for me to suggest, however, that there is a prospect for a major accommodation of Canadian trade interests in the short term. We must assume that, if the negotiations succeed, Canadian exports to Britain will eventually be subject to a Common External Tariff and a Common Agricultural Policy.

Canada would be less concerned, I told my interlocutors, if, apart from "élargissement" and "approfondissement", they started planning for "mondialisation"—or adaptation of the results of enlargement to the interests

of freer world trade. This could take place during the negotiations or before the end of the transitional period.

• (2:10 p.m.)

[*English*]

In both Brussels and London I found the tendency to argue that the Canadians were exaggerating the negative impact of EEC enlargement on their trade and minimizing the importance of the growth that would follow enlargement in Europe, particularly in terms of import needs.

We were repeatedly assured by all that the policy of the EEC—and perhaps even more so of an enlarged EEC—would be responsible and outward looking. I said Canadians sincerely hoped that events would bear out these assertions.

What will be the Canadian attitude in the months and years to come? We shall continue to seek areas of mutuality of interests. We shall continue to urge the EEC and the applicant countries, when they are weighing the merits of alternative solutions, to include in the balance the interests of third countries and the future of the world trading community.

As the negotiations in Europe proceed, we shall be considering how our important contractual rights and obligations can be put into play most effectively. We shall also be reviewing the implications of EEC enlargement for Britain's preferential access to the Canadian market.

In the meantime, we shall use our influence in the GATT to maintain the momentum of trade liberalization efforts and press in particular for a major round of negotiations before the results of the enlargement negotiations are put into effect. We shall continue to urge the United States to provide, with the EEC and other major world traders, the leadership and support which is essential if these efforts are to succeed.

We shall have no illusions, however, that we can safely leave the protection of Canadians interests to others. As a major trading partner of Britain and a significant market for the EEC and the applicant countries, Canada is not without bargaining power.

It will continue to be a key objective of Canadian policy to intensify our trading relations with Europe as a whole. As illustrated in my tabled statement, a greater emphasis is being given to this area over a wide range of the programs of the Department of Industry, Trade and Commerce. The public and private sectors in Canada will have to work closely together in order to minimize the effects of EEC enlargement on our trade and to maximize its positive elements. I know that we can count on all sectors of Canadian industry, and I can assure them and the House that the government will do its part.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I am glad to see that the government has at last apparently decided to take some interest in the negotiations that are going on for the expansion of the European Economic Community. This first indication of concern for developments in an area of major trading importance for Canada has been rather late in coming. And, unlike what we are told happens in the kingdom of heaven, there is no guarantee here that a late conversion means salvation.

I have been suggesting for some time that Canada should move quickly to make sure that her interests are not ignored when, as now seems likely, Britain and a number of other European countries enter the Common Market. Once that happens, this will be the largest trading bloc in the world, and let us not forget that. I have suggested, too, that the longer Canada waited to show its concern the harder it would be for us to have any impact. Hopefully, we have not waited too long, but from the minister's statement it is clear that beyond some polite assurances that things will not be too bad, he has come home emptyhanded. This is bad news for Canadian exporters, and particularly so for our farmers who have been selling millions of dollars worth of produce a year on the British market, and who must now contemplate competing in the protected Common Market.

I must ask if we are not faced here with some chickens coming home to roost? For the last couple of years, the government has followed a policy of retrenchment in foreign affairs. We have indicated a lack of interest in the affairs of Britain and the Commonwealth. We have partially withdrawn from participation in NATO and we have not even bothered for almost a year—until yesterday in fact—to have an ambassador in Brussels which is where the action is as far as the Common Market is concerned.

As a result, it is not really surprising, when one visits London and Brussels, as I did last summer, to find that the general feeling seems to be that Canada just is not concerned about the problems of Europe. The minister himself said he noted a tendency among people to whom he spoke to downgrade the effects of these developments upon Canada. It is surprising, Sir, that it should be late fall when a Canadian minister discovers this on behalf of the government of Canada. If that is the case, the obvious response is for Europe to lose interest in us. Why should it worry about our interests in Europe if we do not show any concern ourselves?

Some hon. Members: Hear, hear!

Mr. Stanfield: There is no question about the general feeling in official circles in Britain and western Europe that Canada has lost interest in developing relations with Europe. The only concern we have shown is to complain about the Common Market allegedly discriminating against us on a few occasions. To this the Common Market people shoot back that we have indulged in exactly the same practices, only worse. I see an article in the *Gazette* today headlined, "Common Market Officials Laugh at Canada's Complaints." This is a measure of the loss of Canadian popularity and influence that has been going on for the last few years. This is why I charge that the government has been negligent. This is why I find so intriguing the assertion on page 7 of the minister's state-

ment that Canada is not without bargaining power. That is wonderful to hear, but instead of talking about it why have we not been using this bargaining power? Why has it not done any good yet? Why are we not using it right now? I realize that it is very comforting for a government to talk about power rather than use it, but in this situation, if such power does exist, we had better use it.

• (2:20 p.m.)

Whatever our present bargaining situation may be, the minister's statement tells us clearly that the Canadian export economy is approaching dangerous times in relation to Europe. At the very least, I should have thought that this would force the government to take a serious look at our trading policies. But there is no sign of this. Instead, the minister merely offers us reassurances of good will that are even vaguer than the ones he received in Europe.

Does this mean that the present government has now reconciled itself to the fact that this country is simply going to slip unyielding into the embrace of North American continentalism? If so, it should tell the Canadian people that this is the case. If not, then we should have some indication that the government is seriously looking at the choices before us and at least trying to come up with alternative policies. This country must maintain and develop healthy trade patterns. Vague reassurances of the sort the minister has given us are not enough.

Mr. Max Saltsman (Waterloo): Mr. Speaker, this is a most serious statement that has been put before us today and the implications for Canada are pretty grim unless something is done about them. I am sure that the minister was reflecting the opinion of all Canadians when he expressed the hope that world protectionism would not increase and that there would be the entry of Canada and other countries into the European Common Market. Nevertheless, we have to be realistic about what is happening and not put our heads in the sand in face of the present situation. We have to realize that much of the polarization of trade and the formation of blocs is a direct reaction to the international corporations and to the policies of the United States government.

The European Economic Community, unlike Canada, is very jealous of its sovereignty and is very much concerned about what is going to happen to Europe in the face of international corporations and their operations round the world. Europe is moving to do something about it. Their answer is to set up viable industry in Europe capable of competing on equal terms with the international corporations, sometimes using the international corporation as a start.

One of the worries that France had regarding Britain's entry into the Common Market was that Britain would serve as a stalking horse for the United States, that Britain, under the conditions she was advocating at that time, would influence American entry into the Common Market. It appears that assurances have now been given to the members of the Common Market that this is not the case and that Britain's entry is now just a matter of time. In his book "The American Challenge" Servan-Schreiber pointed out the difficulty facing Europe and the necessity of challenging the attempt of the United States to dominate the world through its commercial practices and international corporations.

The Leader of the Opposition used the phrase, "the chickens are coming home to roost". This is very true. When we look at our behaviour toward Great Britain and the way the trade pattern developed between Canada and Great Britain we must blame ourselves for the fact that year after year there was a great imbalance of trade in our favour. Over and over again spokesmen from England came to Canada and said it could not go on this way. They pointed out that Britain was no longer in a position to keep buying the goods that Canada had to offer when Canada was not buying from them.

When the right hon. gentleman from Prince Albert was leader of the Conservative party, as part of his program he made an attempt to divert trade and increase Canada's imports from Great Britain. For one reason or another that attempt never came off; whether it was frustrated by the extent of United States ownership in Canada I do not know. The British people could not be expected to accept unlimited one-way trade and as a result they are not now terribly concerned with either the Commonwealth or future relationships with Canada. This should not be too surprising, nor come as a shock to us.

Again, if we want to engage in international trade we shall have to provide some assurance to the other nations of the world we trade with that we are not going to be part of the American empire and that the Americans will not obtain entry to the Common Market through us. If we are to trade in some kind of independent fashion with other nations we shall have to assert our own sovereignty and independence and make it appear that we mean to do so and that we do not intend to remain in the satellite position we now occupy.

I sympathize with the problems of the Minister of Industry, Trade and Commerce (Mr. Pepin). I think he will have to continue acting along the lines he has blocked out in his statement. We should do everything possible to indicate to the Europeans that it is our desire to trade with them, and we should see what sort of arrangements can be worked out. Perhaps there could even be some kind of associate status for us in the Common Market so that our entry would not be barred. If we are unsuccessful in our attempts, we shall be faced with two horrendous choices, continentalism or isolation from world trade, or a third choice which may be what the minister referred to when he said we have some bargaining power. We are a very fortunate nation.

Mr. Baldwin: We are unfortunate in being ruled by this government.

Mr. Saltsman: We have almost all the resources any nation could wish for. We have intelligent, highly trained people and we can combine our resources to do an effec-

tive job. We can look to other nations for trade and can work with the underdeveloped parts of the world. There are many things we can do, but what is important at this stage is that the government get cracking and begin formulating policies touching the future of Canadian trade. We must do our best to convince the Europeans not to exclude us from their market, but we must also be prepared to take other measures if exclusion should take place.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I wish to thank the hon. Minister of Industry, Trade and Commerce (Mr. Pepin) for having circulated a copy of the French version of the statement he made today in the House.

On behalf of my colleagues and in my own name, I am pleased to congratulate the minister for the steps taken by the government with a view to allowing Canada to keep up, if not to increase, its import and export trade with the European Economic Community countries.

I listened attentively to the minister's statement and I have been particularly impressed by the fact that the government gave much importance to "developing new initiatives for freeing of trade on a multilateral basis".

In my opinion, it is high time that Canadians understand that their country is in no way involved in world conflicts. I repeat, the time has come for us to become a sort of link or even get in the van to promote world-wide trade, no matter with what country we make exchanges. However we must ensure that the prices paid by countries for various products on world markets will not be detrimental to the Canadian market owing to higher production cost in Canada with regard to other countries.

Therefore, I invite the government to pursue those efforts and this kind of mediation with the world powers in order to extend trade to world dimensions and, if possible, to find greater markets.

* * *

[*English*]

POWER

BAY OF FUNDY TIDES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I rise to ask leave of the House to make a motion under Standing Order 43 requesting that immediate action be taken by the government to reconsider the decision rendered by the Prime Minister (Mr. Trudeau) with regard to the harnessing of the Bay of Fundy tides from a power point of view on November 24, 1970, when he stated, "There is no provision for reconsidering this matter at this time". I make this motion in light of the fact that the Minister of Energy, Mines and Resources (Mr. Greene) told the House on May 29, 1970, that he would "see whether a valid review could be undertaken".

[Mr. Saltsman.]

• (2:30 p.m.)

When the Atlantic Tidal Power Programming Board presented its findings to the federal government, it stated that interest rates were the basic reason for not proceeding with the project at the present time. After that report was made public an International Conference on the Utilization of Tidal Power was held at Halifax from May 24 to May 29, with the consensus of that conference favouring an early start on the harnessing of the tides. Interest rates have dropped and are continuing to drop. Power demand is on the increase in both Canada and the United States. An immediate market would be available for the power, once produced.

Mr. Speaker: Order, please. I have to interrupt the hon. member. He knows he cannot make a speech at this time. He must indicate as briefly as possible why he feels the motion should be made under Standing Order 43. The hon. member realizes that Standing Order 43 does not provide for debate or rebuttal. The hon. member should limit himself to indicating why the motion should be made at this time.

Mr. Coates: I therefore move:

That this House urges the government to take immediate steps to reconsider the report of the Atlantic Tidal Power Programming Board, coupled with the reports of the International Conference on the Utilization of Tidal Power, and—in view of falling interest rates and chronic and rising unemployment in the Maritime provinces, and substantial demand for the power that could be produced, with a view to harnessing the tides of the Bay of Fundy for power purposes at the earliest date possible.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Cumberland-Colchester North. A motion made under the terms of Standing Order 43 requires the unanimous consent of the House. Is there agreement?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The hon. member has heard negative sounds which would indicate that the motion cannot be put at this time.

Mr. Baldwin: The abominable "no-man".

* * *

CANADA DEVELOPMENT CORPORATION

On the order: Introduction of Bills:

November 24, 1970—Mr. Saltsman—Bill intituled: "An Act to establish a Canada Development Corporation".

Mr. Speaker: Again I have to remind the hon. member for Waterloo that the Chair has misgivings about this bill from a procedural standpoint. I have looked at the bill again and my misgivings are still very much present. I suggested to the hon. member yesterday that he might

have a conference or discussion with the parliamentary counsel with a view to redrafting the bill. I understand that such discussions have taken place and that a new bill can be submitted in due course. If I am correct in my assumption, the hon. member may at this time wish to seek leave to withdraw his notice of motion.

Mr. Saltsman: As always, Mr. Speaker, you are correct in your assumption. With the permission of the House I will withdraw my bill and reintroduce it after redrafting.

Order discharged and bill withdrawn.

* * *

OLD AGE SECURITY ACT

AMENDMENTS RESPECTING AMOUNT OF PENSION, MAXIMUM SUPPLEMENT AND ESCALATION THEREOF

Hon. Allan J. MacEachen (for the Minister of National Health and Welfare) moved for leave to introduce Bill C-202, to amend the Old Age Security Act.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I wish to enter the caveat to which I referred yesterday. As I have not seen the bill, it is hardly appropriate for me to argue about its procedural admissibility at this point. I have some doubts and I would like the privilege of raising them after I have seen the bill, but before we proceed to second reading.

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

ORAL QUESTION PERIOD

OIL

POSITION REGARDING EXPORTS TO UNITED STATES IN 1971

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce in the absence of the Minister of Energy, Mines and Resources. In light of yesterday's proposal by the United States oil import administration that there be only a 55,000 barrel per day increase in Canadian oil exports to the United States next year, is it the view of the minister that the reported promise last week of full and free access for Canadian oil to the United States in 1971 represents a commitment of the United States administration or simply the views of the American officials who were present at the meeting?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I was looking for the communiqué to find the exact words. If the hon. member had read it carefully, he would have seen the words "free access" prefaced by the word "arrangements" leading to that. Consequently, what he reports is not necessarily against the trend indicated in the communiqué.

Inquiries of the Ministry

Mr. Stanfield: Will the minister indicate where he believes these matters now stand in view of the proposal of the United States oil import administration? Does the government of Canada propose to take any initiative with regard to the implementation of full and free access?

Mr. Pepin: I have found the text! It states that "it was agreed that "arrangements should be worked out quickly to permit in subsequent years full and unimpeded access to United States markets." The qualifications are rather important! I suggest that the growth of Canadian exports of oil is very favourable at this time and has been favourable in recent years. We are then rapidly moving toward the objective indicated in the communiqué.

Mr. Stanfield: Am I to assume that the impression I had that full and free access would be assured for the year 1971 is incorrect?

Mr. Pepin: The year 1971 is not in the communiqué, as the time for free access.

BUILDING OF PIPELINE TO MONTREAL—SECURITY OF SUPPLY IN EASTERN CANADA

Mr. Max Saltsman (Waterloo): I have a supplementary question for the Minister of Industry, Trade and Commerce. At one time it was understood that one of the conditions the United States was imposing or asking of Canada in return for free access of Canadian oil to the United States markets was the building of a pipeline to Montreal. Is that still the case? Are discussions being held with regard to the building of a pipeline to Montreal as a condition of free access of Canadian oil to the American markets?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No, Mr. Speaker, but reference is made in the communiqué to the fact that security of supply in eastern Canada is of major importance.

Mr. Saltsman: Can the minister indicate what is meant by security of supply that would be satisfactory to the American government?

Mr. Pepin: I presume security means that in cases of major troubles in the world eastern Canada would not be handicapped economically or otherwise by the lack of petroleum imports.

REPRESENTATIONS TO UNITED STATES RESPECTING MAXIMUM CANADIAN EXPORTS IN 1971

Hon. D. S. Harkness (Calgary Centre): I wish to ask the minister if the Canadian government has made or will be making representations to the American government to reconsider the increase of 55,000 barrels a day which has now been allotted and raise it to the 100,000 or 125,000 barrels a day necessary to fill the Canadian pipeline for the year 1971, inasmuch as following the ministerial

meeting a week ago the minister assured us that Canada would be able to obtain this amount during 1971?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I can only refer to the communiqué which reads as follows:

For 1971, it is expected that pipeline capacity would need to be fully used and it was agreed that arrangements should be worked out quickly to permit in subsequent years full and unimpeded access to United States markets of Canadian crude oil and petroleum products surplus to Canadian commercial and security requirements.

That should enlighten the hon. gentleman.

Mr. Harkness: Would the minister now answer my question? Have representations been made, or will they be made, to ensure that the pipeline capacity is fully used rather than accept an increase of only 55,000 barrels?

Mr. Pepin: This was an agreed statement between Canada and the United States. We did not exercise undue pressure on the U.S. representatives to accept these words.

Mr. Eldon M. Woolliams (Calgary North): I was impressed by the communiqué but I would be still more impressed by an answer to this question. Is there any firm commitment that in 1971 there will be free trade and open quotas between Canada and the United States in the export of crude petroleum from Canada?

Mr. Pepin: I can only refer again to the text:

—it was agreed that arrangements should be worked out quickly to permit in subsequent years full and unimpeded access—

Mr. Speaker: Order. The Chair will recognize the hon. member for Saskatoon-Biggar for a final supplementary.

* * *

TRADE

STEPS TO LIMIT IMPORTS OF AUSTRALIAN AND NEW ZEALAND BEEF

Mr. A. P. Gleave (Saskatoon-Biggar): In view of the demands by the National Cattlemen's Association in the United States that the United States government restrict meat imports from Canada to the 1970 level, will the minister assure the House that steps will be taken to limit the amount of beef imported into Canada from Australia and New Zealand to such levels as will not pose a threat to our own beef market?

Mr. Speaker: This is not a supplementary question, but since it has been asked the minister might wish to reply.

Hon. H. A. Olson (Minister of Agriculture): This concerns a matter we negotiated with Australia and New Zealand during midsummer when it presented a serious problem. We hope that the kind of negotiations which led to a solution of the difficulty then will be conducted in the future.

FINANCE

GRANTS AND LOANS TO PROVINCES BASED ON RATE OF UNEMPLOYMENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I direct a question to the Minister of Finance? It arises out of a statement made by Premier Bourassa of Quebec some time ago and the statement made on Friday night on television by the Prime Minister. Does the government intend to set up a fund from which the provinces will be able to secure grants and loans based on the rate of unemployment in their respective provinces?

Hon. E. J. Benson (Minister of Finance): Such a fund was suggested by the Prime Minister of Quebec at the last conference of Ministers of Finance and was referred to a committee for consideration.

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I ask the minister whether consultations have been held with the provinces on this question? Have most or all of the provinces concurred in the idea, and has the federal government yet reached a decision to establish such a fund?

Mr. Benson: First, consultations have been going on with the provinces with regard to Prime Minister Bourassa's suggestion. Second, the matter has not yet been resolved but the committee which I mentioned will perhaps report back to the finance ministers next week, or later.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Does the Minister of Finance intend to make any announcement regarding the establishment of such a fund when he presents his budget to the House on Thursday?

Mr. Benson: As I said, Prime Minister Bourassa's proposition with regard to a fund is being considered. As to any statement I may have to make concerning arrangements similar to, or different from, this proposal, the hon. member will have to wait until Thursday night.

* * *

[*Translation*]

THE BUDGET

ABOLITION OF SALES TAX ON BUILDING MATERIALS

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, I should like to put a question to the Minister of Finance.

Yesterday, the Canadian Construction Association submitted a brief to the federal government asking for the withdrawal of the sales tax on building materials and on anti-pollution equipment. My question is as follows: Can the minister tell the House whether he intends to introduce a bill to withdraw the federal tax on building materials?

[*English*]

Hon. E. J. Benson (Minister of Finance): Once again, this is a budgetary matter and would be dealt with in the budget if it were so decided.

FINANCE

SUGGESTED REDUCTION OF BANK INTEREST RATES TO ASSIST INDUSTRY

Hon. George Hees (Prince Edward-Hastings): I have a question for the Minister of Finance, Mr. Speaker. In view of the further lowering of interest rates in the United States yesterday, is it now the intention of the minister strongly to urge the Canadian chartered banks to take similar action between now and the end of the year so that Canadian industry may be afforded a similar opportunity to expand operations, thereby increasing employment?

Hon. E. J. Benson (Minister of Finance): If the hon. member would look at the short-term interest rates in Canada, I think he would find they were lower than interest rates in effect in the United States.

Some hon. Members: Hear, hear!

Mr. Hees: If the minister would look at the general level of interest rates in the United States—

Some hon. Members: Order.

Mr. Hees: —he would see that they are continually being lowered below those prevailing in Canada. May I ask a supplementary?

Mr. Speaker: I was just about to suggest that to the hon. member.

Mr. Hees: Thank you, Mr. Speaker; I just had to set the minister right. In view of the fact that he does not intend to ask the chartered banks to lower their interest rates, would the minister mind advising the House when he proposes to sever the strings by which Bergen controls and manipulates McCarthy?

Some hon. Members: Oh, oh!

Mr. Speaker: Order. The Minister of Finance will recognize that the question is not in order and is not acceptable from a procedural standpoint.

* * *

SOCIAL SECURITY

CONSULTATIONS WITH PROVINCES PRIOR TO PUBLICATION OF WHITE PAPER

Hon. Marcel Lambert (Edmonton West): My question is directed to the Prime Minister in the absence of the Minister of National Health and Welfare. Would the right hon. gentleman advise the House as to the degree of consultation which may have taken place with the various provincial authorities prior to the publication of the government's white paper on income security? I ask this in light of the reaction by some of the provinces, particularly the province of Quebec, bearing in mind its own views and intentions in connection with income security programs.

Inquiries of the Ministry

Right Hon. P. E. Trudeau (Prime Minister): I cannot say there has been any specific consultation apart from that which goes on frequently in the normal way but, of course, the aim of the government's approach by way of publishing the white paper is to obtain the reactions not only of other parties in the House but of others who may be involved, such as the provinces. The white paper is now available, and it is a form of consultation with the country. The House knows that some years ago the government did adopt this means of consultation with the country in general and with the provinces in particular, that is to say, by publishing white papers. This is the latest.

[*Translation*]

CONSIDERATION OF WHITE PAPER AT NEXT PRIME MINISTER'S CONFERENCE

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have a supplementary question. Would the Prime Minister inform the House if a discussion of this white paper will be on the agenda of the Prime Ministers conference to be held in December?

Right Hon. P. E. Trudeau (Prime Minister): No conference is anticipated for December, Mr. Speaker.

Mr. Valade: To rephrase my question, Mr. Speaker, would the Prime Minister promise the House that this subject will be on the agenda of the Prime Ministers conference to be held either in February or June?

Mr. Trudeau: Mr. Speaker, we will prepare the agenda for both conferences in the usual manner, that is to say after consultation with the provinces.

If they want to include the study of this white paper in the agenda, we might consider it, but I shall point out to the hon. member that the problem of social security and income support has already been discussed at past conferences and the position of the federal government and of the provinces is well known in this regard.

* * *

[*English*]

TRANSPORT

MARITIME PROVINCES TRUCK TRAFFIC SUBSIDY

Mr. Charles H. Thomas (Moncton): I have a question for the Minister of Transport. On July 10 the minister announced his intention of making provision at the earliest date for the full 17.5 per cent subsidy to truck traffic in the Maritimes. Can he now advise the House when we may expect legislation in this regard?

Hon. Donald C. Jamieson (Minister of Transport): It was tabled on Friday, Mr. Speaker.

Inquiries of the Ministry

FINANCE

SUGGESTED REMOVAL OF SALES TAX ON BUILDING MATERIALS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to ask the Minister of Finance whether he will give consideration to the proposal apparently recommended by his colleague the Minister without Portfolio in charge of housing that the sales tax be removed from building materials, thus stimulating housebuilding and helping to reduce unemployment?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, the Minister without Portfolio in charge of housing has not made such a submission to me.

* * *

AIRPORTS

TORONTO—NEW SITE—CO-OPERATION OF PROVINCE IN PREVENTING LAND SPECULATION—DISPUTE BETWEEN LIMOUSINE CHAUFFEURS AND TAXI DRIVERS

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I should like to ask the Minister of Transport to inform the House whether he was successful in obtaining the co-operation of the Ontario government last week to prevent speculation in the acquisition of land for the expansion of air terminal facilities urgently needed to meet the growing needs of Toronto and adjacent municipalities, and whether he is aware of the problem involving the chauffeurs of the limousine transfer company and taxi cab drivers at Toronto International Airport?

Hon. Donald C. Jamieson (Minister of Transport): Do we have an hour, Mr. Speaker? Let me deal with the matter of negotiations regarding the new site. Quite productive meetings were held with the Prime Minister of Ontario and the Ontario Minister of Finance. I delivered to them formally the documentation which has been prepared over the last several months. They agreed to spend a week or so examining this documentation. The next meeting, which I hope will be definitive, is scheduled for December 11.

TORONTO—CRITERIA INVOLVED IN SELECTING NEW SITE

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in view of the statement made the day before yesterday by the Ontario Deputy Minister of the Treasury and Economics to the effect that there needs to be integration of the regional economic development program between the federal and provincial governments, is the minister's department using this as one of its criteria in reaching a decision on where the new Toronto airport is to be located?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, there were 109 different criteria, if that is the correct word, that were considered. I have not the slightest doubt that in the terms in which my hon. friend has stated the question this was one of them.

[Mr. Jamieson.]

TORONTO—STEPS TO ALLEVIATE OVERCROWDING AT MALTON TERMINAL

Mr. S. Perry Ryan (Spadina): My question is also for the Minister of Transport, Mr. Speaker, and I should like to welcome him back from Europe. In view of the announced delay of two years in the expected completion of the second terminal at the Toronto International Airport, has the minister's department any immediate plans to alleviate the pandemonium because of over-crowding of all facilities, which is causing a grievous situation at the existing terminal?

Mr. Speaker: Order, please. The minister should reply to the question, of course, but I do not think he should go into the matter at length as this should be done on motions.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the hon. member refers to an announced intention. It was not an announced intention in the official sense; it was a speculative newspaper story, and not all of them are always 100 per cent correct. This was one that was not correct. We think there will be a substantial improvement by the coming summer. If it appears to be appropriate I will make a statement on motions as to how we propose to do that, or make it known to the transport committee or in some other way.

TORONTO—SITES DISCUSSED WITH PROVINCE

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to ask the Minister of Transport whether he can tell the House how many sites for the new airport were discussed, and were they north and west of Toronto?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, at the meeting with the Prime Minister of Ontario 59 sites were discussed and they were north, south, east and west.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Parkdale, who raised this question initially, for the purpose of asking a last supplementary, but we do have to move on.

TORONTO—DISPUTE BETWEEN LIMOUSINE CHAUFFEURS AND TAXI DRIVERS

Mr. Stanley Haidasz (Parkdale): I should like to ask the Minister of Transport again whether he has been seized with the problem that has arisen in Toronto at the international airport involving limousine chauffeurs and taxi cab drivers?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, I have been seized with the problem but not yet seized by the taxi drivers, although that is apparently getting close. There is only one real solution to the problem in Toronto and that is to resolve it in the same manner as we resolved it to some degree in Montreal. I have indicated that in terms of the federal government we are quite prepared to make places available for metred taxis at the Toronto airport. Unfortunately there

can be no question but that some of the activities that are going on with regard to so-called soliciting, and I use that word in quite a proper sense, are illegal. We are doing our very best in a difficult situation because we do recognize there are legitimate grievances on the part of the terminal taxi operators.

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AIR TRANSPORT

BASING OF FARES BY CERTAIN AIRLINES ON CANADIAN DOLLAR PEGGED AT 92½ CENTS

Mr. J. H. Horner (Crowfoot): Mr. Speaker, my question to the Minister of Transport deals with the matter of Air Canada, Pacific Air and BOAC charging rates to Canadian and United States people travelling on these lines that are based on a Canadian dollar pegged at 92½ cents. Has the minister's department looked into this because it brings about a great reduction in air travel by foreign citizens using our Canadian lines?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, I was advised of this on my return over the weekend and I have initiated inquiries through the Canadian Transport Commission and also through my own department. I hope to have an answer within a very short time, perhaps a day or two.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have addressed questions to the Minister of Consumer and Corporate Affairs on this matter. Did he, as he promised to do yesterday, refer the information to the Minister of Transport that there are regulations under the IATA Agreement and our Canadian Transport Commission that deal precisely with this matter?

Mr. Jamieson: Yes, Mr. Speaker, the Minister of Consumer and Corporate Affairs did, as he advised the House he would, discuss it with me. On that particular matter let me draw the attention of the hon. member and the House to the fact that the IATA agreement does provide for a reduction to something like $1.03, I think is the ratio, but unfortunately it does not come into effect under the international agreement until next April. I feel this is too late and we should do something in the interim. That is the matter on which I have requested further information.

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HOUSING

INVESTMENT IN MORTGAGES BY BANKS AND OTHER FINANCIAL INSTITUTIONS

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to the Minister without Portfolio in charge of housing. Has he written to the banks, insurance companies and other financial institutions soliciting, if I may use the term of the Minister of Transport, funds for mortgages in housing development? If he has written to these institutions, would he inform the House whether he has received any replies and what the attitude of these institutions is?

Inquiries of the Ministry

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, in addition to writing letters we held a series of meetings in September with the senior officials of banks and trust and insurance companies at which we discussed that very matter of forward requirements of capital for residential mortgages. We posed certain questions to them in terms of our requirements and targets for the future. We are meeting again with them in January. In the meantime I am meeting next week with most of the administrators of the major pension funds across the country to try to convince them also that it would be advisable to put more pension fund capital into residential mortgages.

JOINT MORTGAGE PROGRAM INVOLVING PUBLIC AND PRIVATE FUNDS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, in view of the fact that private lending institutions do not contribute significantly to the financing of smaller lower-cost housing, a fact of which the minister is certainly apprised, as an incentive is it the intention of the minister to allocate funds to approved private lenders in order to implement a joint lending program whereby public and private funds would share in low-cost housing mortgages? This is something I believe the minister has referred to as marrying the private and public institutions.

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, that proposed method is one option we are examining but I hope to open up many other options as to how we can get greater leverage in low-cost housing from the CMHC capital budget by enticing private lenders into that section of the market in which their activity is so vitally required.

SCHEME FOR RENOVATING PARTICULAR AREAS

Mr. John Gilbert (Broadview): Mr. Speaker, in view of the very persuasive speech by the minister on October 30 to the Rotary Club in Toronto in which he indicated that no corporation has come to him or the federal government with a new scheme for hiring poor people and training them and asking for some defrayment of the cost, and in the specific area of housing he has heard of no corporation—

Mr. Speaker: Order, please. The hon. member should ask his question directly and as soon as possible.

Mr. Gilbert: I am coming right to it, Mr. Speaker. The second suggestion was that corporations bring forth a scheme to renovate particular areas and ask the government for any help they may need. I wonder whether the minister has had a response to this excellent suggestion and, if not, what steps does he propose to take?

Hon. Robert K. Andras (Minister without Portfolio): Somewhat disappointingly, Mr. Speaker, as yet I have had no response at least not in any precise terms that I would be able to deal with at this stage.

Inquiries of the Ministry

PROVISION OF LOW-RENT APARTMENTS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in view of the minister's answer and in view of the fact that thousands of senior citizens in need are living in apartment blocks where rents are continually escalating and, in consequence, they pay more than any increase in pensions, would the government consider financing special low-cost housing apartments for these people where the criteria would be need and age?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, we are doing precisely that on an ever increasing scale.

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[*Translation*]

EXTERNAL AFFAIRS

CONTROL OF ALUMINUM COMPANY SUBSIDIARY BY GUYANA

Mr. Gilles Marceau (Lapointe): Mr. Speaker, in the absence of the Secretary of State for External Affairs I should like to put my question to his Parliamentary Secretary.

What is the position of the government with regard to the publicly announced intention of the government of Guyana to take over the Demba Company which is a subsidiary of the Aluminum Company?

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the government of Guyana and Demba, an Alcan subsidiary, are supposed to start negotiations at the beginning of next week, in Georgetown.

The government of Guyana evidently has the right to establish the ways and means of operation of a foreign company on its territory. It is not the intention of the Canadian government to make a direct intervention, but I certainly hope the parties involved will reach a mutually acceptable settlement.

At all events, Mr. Speaker, the Canadian government will be following the coming negotiations with great interest and keen attention.

* * *

[*English*]

AIR TRANSPORT

ISSUING OF INSTRUCTIONS REGARDING DC-8 SPOILERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Transport whether his department has taken any precautions in respect of the question of the DC-8 spoilers. I ask the question in view of the action which apparently has been considered necessary in the United States.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, international regulations and custom require that when regulations or operational instructions are issued with regard to any type of aircraft by the country of manufacture, these are accepted and implemented by all other countries. This means that if the federal association or agency in the United States issues special instructions regarding the DC-8, these would become mandatory and would be introduced immediately in Canada.

Mr. Stanfield: Mr. Speaker, am I to understand from the Minister of Transport that his department would not take any action on its own unless action were taken by the country in which the plane was manufactured.

Mr. Jamieson: No; quite the contrary. We do have our own individual rules and regulations which differ in some respects, but I think the Leader of the Opposition will recognize that in such matters international standards are obviously desirable, and under these circumstances we will do the same as is recommended by the federal aviation authority rather than adopt a different course.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I ask the Minister of Transport whether or not instructions have gone out from the regulatory division of the Department of Transport to Air Canada with regard to the actual use of spoilers on DC-8 aircraft. In other words, has the department issued instructions in respect of the arming of and deployment of the spoilers only on the ground, as was done by the federal aviation authority in the United States some time ago.

Mr. Jamieson: I do not wish to appear to be reluctant to answer the question. I should like to take it as notice in view of the intricacy of it and give my hon. friend a detailed answer tomorrow concerning just what is the situation in the department. If the FAA has issued instructions, as I believe it has today or yesterday, these will be followed in Canada.

PARTICIPATION OF REPRESENTATIVES OF CERTAIN GROUPS IN AIRPORT PLANNING

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the Minister of Transport relating to air safety. In the planning in respect of new and existing sites for Canadian airports by governments and government departments, is there representation on those planning groups by the Canadian Airline Pilots Association, by the aircraft manufacturing companies and by the Air Controllers Association.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, from my personal memory I do not wish to say whether these groups are consulted. My impression is that they are. Certainly, we undertake the widest degree of consultation, but I shall inquire about the specific groups to which my hon. friend refers.

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NORTHERN AFFAIRS

KING CHRISTIAN ISLAND—INVESTIGATION OF GAS WELL BLOWOUT

Mr. Randolph Harding (Kootenay West): Mr. Speaker, this question is for the Minister of Indian Affairs and Northern Development. Will the minister institute a full

inquiry into the cause of the recent blowout and fire on King Christian Island, in view of the report that the drilling superintendent who was fired because of the accident claims the management of Panarctic Oils was really at fault and knew the drilling regulations were being broken.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have already instructed one of the officials of my department to conduct an inquiry. He is an expert on oil exploration and I hope his report will soon be available. I believe he is due to arrive on King Christian Island tomorrow.

* * *

[*English*]

TRANSPORT

REPLACEMENT OF RAILWAY GRADE CROSSING FUND

Mr. Walter Deakon (High Park): Mr. Speaker, I should like to direct a question to the Minister of Transport if I may. Can the minister advise the House whether any progress has been made towards replacing or reinstituting the grade crossing fund, especially in order to assist the urban areas by providing a more equitable cost distribution for the rebuilding or construction of grade crossings in areas where this work is most urgently needed.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have been making regular progress reports on this particular matter. I can make another one today. As I indicated earlier, pilot studies are under way in Winnipeg with the agreement and concurrence of the Canadian Federation of Mayors and Municipalities. These studies are designed to give us a formula for dealing with these problems nationally. The newest piece of information I can provide is that a submission has gone forward to Treasury Board asking for the necessary authorization to appoint a team of consultants to actually do the basic work on this particular problem.

NEWFOUNDLAND SOUTH COAST—COMMITTEE REPORT ON PROBLEMS

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I have a question for the Minister of Transport. Can the minister say whether he has received the final report of the committee appointed by him some time ago to investigate transportation problems on the south coast of Newfoundland.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I am not sure if it is a final report, but there is a fairly comprehensive document and I would be delighted to make it available to the hon. member.

Inquiries of the Ministry

AGRICULTURE

DAIRYING—ASSISTANCE IN DEVELOPMENT OF NEW PRODUCTS

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, this question is for the Minister of Agriculture. Is the minister considering capital grants or other assistance programs to help the Canadian dairy industry develop new dairy products?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we are involved in that in a limited way now.

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[*Translation*]

AIRPORTS

DORVAL—PROHIBITION OF SALE OF "QUÉBEC-PRESSE" AT NEWSSTANDS

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I would like to put a question to the Minister of Transport.

Has the government requested CARA officials who have newsstand franchises at the Dorval airport to stop selling the weekly *Québec-Presse*? If not, is the minister aware of CARA's decision to stop selling *Québec-Presse* in three of their newsstands thus inflicting injury on freedom of expression?

Would the minister investigate the actual reasons why CARA took that step?

Mr. Speaker: Order. I am under the impression that this question could be placed on the order paper and could, if there is any urgency, be debated on adjournment. In any event, the hon. member suggested that the minister investigate and he must presume that the minister will consider his suggestion.

* * *

[*English*]

POLLUTION

WATER CONTAMINATION BY DRYDEN AND SASKATOON COMPANIES

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Minister of Fisheries and Forestry. Earlier this week I asked the minister a question in relation to two industries, one at Dryden, Ontario, and one at Saskatoon, which are causing extensive pollution of Manitoba waters. The minister said that meetings had been held with representatives of these industries and that these industries were not now dumping mercury into the adjoining waters. Will the minister now say whether he is satisfied that these two industries are not dumping other pollutants into the adjoining waters beyond what is determined to be an acceptable level?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, we have a task force out in the field at the

present moment which is checking out both these plants. I will be glad to report to the hon. member as soon as I have their findings.

[*Later:*]

Mr. Gerald Richard Cobbe (Portage): Mr. Speaker, I have a supplementary question for the Minister of Fisheries and Forestry. Did the committee that is studying the matter of pollution in the Saskatoon area also investigate the sewage facilities of the proposed Churchill forest products operation, which I understand is to go into operation very shortly?

Mr. Speaker: The hon. member is making a suggestion. He has to assume it will be taken into account.

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GRAIN

USE OF INTERNATIONAL MARKET SPECIALISTS BY WHEAT BOARD

Mr. Cliff Downey (Battle River): Mr. Speaker, I wish to direct a question to the minister who answers for the Wheat Board. Since it has been reported that the Canadian Wheat Board has a group of international market specialists presently undergoing extensive on the job training, could the minister tell us how many of these people are employed and when they will be going into the field?

Mr. Speaker: The hon. member is asking for statistical information. This kind of question cannot be asked at this time.

* * *

TRADE

POSSIBLE BRITISH ENTRY INTO EUROPEAN COMMON MARKET—REVIEW OF CANADIAN ECONOMIC COMMITMENTS UNDER NATO

Mr. Lloyd R. Crouse (South Shore): I wish to direct a question to the Minister of Industry, Trade and Commerce. It is related to the statement he made in the House today. In view of the fact that the NATO treaty provides for co-operation among member countries, not only on military, scientific and political problems but also on economic matters, is it the intention of the government or of the minister to press for a review of our NATO commitments and responsibilities on economic matters in the hope of offsetting any economic losses which may occur to Canada if Britain does join the Common Market?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): That is too complex and general for me, Mr. Speaker. I will pass it on to the Secretary of State for External Affairs when he comes back.

[Mr. Davis.]

AIRPORTS

CHARLOTTETOWN—ACCELERATION OF IMPROVEMENT PROGRAM

Mr. Heath Macquarrie (Hillsborough): I have a question for the Minister of Transport arising out of inquiries about crowding in Toronto. I refer to a more major situation. Can he advise us whether he is going to accelerate his stated program of improvements for the Charlottetown airport?

Hon. Donald C. Jamieson (Minister of Transport): The hon. member has been so effective in his representations that the acceleration rate is quite the most rapid in Canada already, but I will do my best.

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THE MINISTRY

EXTENSION OF BEST WISHES TO SOLICITOR GENERAL IN ILLNESS

Mr. Robert McCleave (Halifax-East Hants): I wish to direct my question to the Prime Minister. In the absence of the Solicitor General, who entered hospital today, may I ask the Prime Minister to convey to the Solicitor General our best wishes and also to thank him for accepting the Conservative proposition that the Royal Canadian Mounted Police should be paid for overtime duty.

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INDUSTRY

GENERAL MOTORS—IMPORTATION OF CARS FROM UNITED STATES WHILE CANADIAN EMPLOYEES STILL ON STRIKE

Mr. J. Edward Broadbent (Oshawa-Whitby): I have a question for the Minister of Industry, Trade and Commerce. Last Friday I asked the minister whether the government intended to do anything about the General Motors Corporation's desire to import cars from the United States during the duration of the strike on this side of the border. The minister said he would look into this matter. I wonder whether he is in a position now to report to the House.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker, I have looked into the matter. I suggest to my hon. friend that perhaps he should not accept without reflection the principle that when a country has a strike that country should prevent imports of commodities produced at the plant which is on strike, because if Canadians do that to others we may expect others to do it unto us and that would not be particularly pleasant for Canadian exporters.

DENISON MINES—NEGOTIATIONS TO PREVENT SHUTDOWN

Mr. Maurice Foster (Algoma): My question is for the Prime Minister. In view of the fact that as things stand some 900 employees of Denison Mines at Elliot Lake will be receiving notices within a month that they are to lose their jobs, can the Prime Minister advise what progress has been made in the negotiations between the government and the officials of Denison Mines to prevent the shutdown of the mines?

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, some progress has been made. There have been meetings between the delegation from Elliot Lake and myself, followed by correspondence between the government and the mining interests. The House knows that our announcement of last July was made for the purpose of helping Elliot Lake in particular, and also to announce an assistance program for the uranium industry if it could be demonstrated that by using this assistance they would be able to continue in operation.

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

Mr. Speaker: Order please. We are running out of time. Perhaps the hon. member might consider the possibility of returning for a supplementary question at the time of adjournment or of asking it tomorrow.

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AUDITOR GENERAL

ALLEGED DOWNGRADING OF CERTAIN STAFF MEMBERS

Mr. G. W. Baldwin (Peace River): I would like to ask the President of the Treasury Board if he would make a short statement justifying the allegation by the Auditor General of the downgrading of 28 members of his staff.

Hon. C. M. Drury (President of the Treasury Board): If the hon. gentleman would give me some evidence of this allegation later, I will be glad to look into it.

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

Mr. Speaker: Order, please. I am sure the hon. member will realize that at this stage he would be entering the field of debate. Orders of the day.

Mr. Woolliams: Mr. Speaker, I wish to rise on a point of order. May I say in answer to the minister that all he has to do is read the proceedings of the committee meeting this morning and he will have all the evidence he needs. Mr. Speaker, tell him not to fool the House and misrepresent the facts.

Mr. Speaker: Orders of the day.

Division

GOVERNMENT ORDERS

PUBLIC ORDER (TEMPORARY MEASURES) ACT, 1970

PROVISION OF EMERGENCY POWERS FOR PRESERVATION OF PUBLIC ORDER

The House resumed from Monday, November 30, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-181, to provide temporary emergency powers for the preservation of public order in Canada, be read the third time and do pass.

Mr. Speaker: Pursuant to a special order made on Monday, November 30, 1970, the House will now proceed to the taking of the deferred division. The question is on the main motion. Call in the members.

The House divided on the motion (Mr. Turner, Ottawa-Carleton) which was agreed to on the following division:

• (3:20 p.m.)

YEAS

Messrs:

Alexander	Foster
Alkenbrack	Francis
Allmand	Gendron
Andras	Gervais
Asselin	Gibson
Badanai	Gillespie
Baldwin	Goode
Barrett	Goyer
Basford	Gray
Béchard	Grills
Beer	Groos
Bell	Guay (St. Boniface)
Benson	Guay (Lévis)
Blouin	Guilbault
Borrie	Gundlock
Boulanger	Haidasz
Breau	Hales
Brown	Harkness
Caccia	Hees
Cafik	Hopkins
Carter	Horner
Chappell	Howard (Okanagan Boundary)
Chrétien	Howe
Clermont	Hymmen
Coates	Isabelle
Cobbe	Jamieson
Comeau	Jerome
Corbin	Kierans
Corriveau	Knowles (Norfolk-Haldimand)
Côté (Richelieu)	Korchinski
Crouse	Lachance
Cullen	Lambert (Edmonton West)
Danforth	Langlois
Danson	Laniel
Davis	Leblanc (Laurier)
Deachman	Lefebvre
Deakon	Legault
Dinsdale	Lessard (LaSalle)
Downey	Lessard (Lac-Saint-Jean)
Drury	Lind
Dubé	Loiselle
Dupras	Lundrigan
Émard	MacEachen
Éthier	MacEwan
Faulkner	MacGuigan
Flemming	
Forest	
Forget	
Forrestall	

Division

Messrs:

Mackasey
MacLean
Macquarrie
MacRae
McBride
McCleave
McCutcheon
McIntosh
McKinley
McNulty
McQuaid
Mahoney
Major
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Monteith
Moore
Morison
Muir
Murphy
Nesbitt
Nielsen
Noël
Nowlan
O'Connell
Olson
Orange
Osler
Otto
Ouellet
Peddle
Penner
Pepin
Portelance
Prud'homme
Reid
Ricard
Richard
Richardson
Ritchie
Robinson
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Ryan
Rynard
Schumacher
Scott
Simpson
Skoreyko
Smith (Saint-Jean)
Southam
Stafford
Stanbury
Stanfield
Stewart (Marquette)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Thomas (Moncton)
Thompson (Red Deer)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Valade
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting
Woolliams
Yanakis
Yewchuk—174.

NAYS

Messrs:

Aiken
Barnett
Beaudoin
Benjamin
Brewin
Broadbent
Burton
Dionne
Douglas (Nanaimo-Cowichan-The Islands)
Fairweather
Fortin
Gauthier
Gilbert
Gleave
Godin
Harding
Howard (Skeena)
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
Laprise
La Salle
Lewis
MacDonald (Egmont)
Mather
Matte
Nystrom
Rodrigue
Rowland
Saltsman
Tétrault
Thomson (Battleford-Kindersley)—31.

• (3:40 p.m.)

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

[Mr. Speaker.]

CANADA CO-OPERATIVE ASSOCIATIONS BILL

INCORPORATION, ARTICLES OF ASSOCIATION, SHARE STRUCTURE, GENERAL POWERS AND DUTIES, ETC.

The House proceeded to the consideration of Bill C-177, respecting co-operation associations, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs.

Mr. Les Benjamin (Regina-Lake Centre) moved:

That Bill C-177, An Act respecting co-operative associations, be amended by deleting all the words after the word "and" in line 21 of paragraph (d) of clause 68, and substituting therefor the following:

'the directors shall also appoint all other officers thereof.'

He said: Mr. Speaker, may I take a moment to explain, briefly, the purpose of the amendment. Its purpose is to leave no doubt that only the board of directors of any co-operative shall appoint an officer of that co-operative. We have had some discussion about this matter with senior people from the national co-operative movement. After discussing the point when the bill was before the committee, I moved an amendment which appeared not to be suitable. I therefore withdrew it so that the matter might be discussed further, with the hope that we could bring in another amendment during the present stage of the bill.

I have discussed this matter with other people who are concerned about this legislation. As the bill presently reads, it is possible for the president or vice president of a co-operative, who have been appointed by the board of directors, to appoint other officers. Actually, from my reading of the pertinent paragraph, it appears that even if the board of directors does not appoint certain officers, those officers may be appointed by the president, vice president or other officers and the act would not be thereby violated. I do not think that is the intention of this law. Admittedly, such an event is unlikely, but that it should be at all possible I believe is contrary to the common practice and wishes of the co-operative movement.

My second point is this: It seems that an officer of the co-operative movement who has not been elected can, as the language of the bill now stands, appoint another officer, without the authority of the directors of the co-operative concerned so to do. I invite hon. members to look at subparagraph (k) on page 3 of the bill, where "officer" is defined. There an officer is defined, among other things, as the president, vice-president, secretary, treasurer, comptroller, general manager, managing director or any other individual who performs the functions of an officer. The senior management personnel are pretty well covered by the definition and they are not all elected officials. These men are defined as officers. According to the wording of the bill, an officer who has not been elected but who has been perhaps appointed by the board may appoint another officer without asking authority of the board of directors. For example, as I see it, a general manager who has been appointed by the board of directors, and who is an officer according to the definition of the bill, may in turn appoint another officer, let us say

the comptroller. That comptroller would be an officer who had been appointed without the authority of the board of directors.

I admit that this is not likely to happen in any well organized and well operated co-operative, but I think that we have a dangerous loophole in the law. No matter how intelligently the law is interpreted, it is open for officers of the co-operative, as defined in the bill, to appoint other officers without first seeking the authority of the elected membership of the co-operative, namely the board of directors. There is a danger that the tail could wag the dog; and since the co-operative movement has been waiting over 60 years for this legislation, that is a danger we ought to avoid. For that reason, I think the amendment is proper. If adopted, I submit that the wording of the pertinent part of the bill would be improved. I hope the minister and the House will see fit to adopt it.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, it might be helpful if I were to say to the House that I have considered the amendment. I appreciate the notice of it that the hon. member has given me in order that I might consider it. He has indicated to the House the purpose of the amendment. It seeks to clarify the intention of the bill. I submit it has that effect and I am therefore quite happy to indicate, on behalf of the government, that it is acceptable to us.

Motion (Mr. Benjamin) agreed to.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs) moved that Bill C-177, respecting co-operative associations, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs, be concurred in.

Motion agreed to.

Mr. Deputy Speaker: When shall the bill be read the third time?

Mr. Baldwin: Mr. Speaker, by leave, now.

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Basford moved that the Bill be read the third time and do pass.

• (3:50 p.m.)

He said: Mr. Speaker, I wish to say a few words for the record to explain what happened during the committee proceedings. A number of amendments were made to Bill C-177 respecting co-operative associations. I wish to comment on them briefly.

During second reading of this bill on November 2, representatives of all parties in this House expressed their agreement with the principle of the bill, although some reservations were expressed in connection with a number of specific provisions. As a matter of fact, after consultations with the co-operative movement and discussion in committee on November 25, we accepted a few amendments which do not change in any way the philosophy of the bill or its structure. I commend the bill to all hon. members and to the co-operative movement of Canada.

The Standing Committee on Justice and Legal Affairs, to which Bill C-177 was referred, heard from the co-operative movement which was represented by Mr. W. B. Melvin, president of the Co-operative Union of Canada, and his associates, and Mr. Martin Léger, president of Le Conseil Canadien de Co-opération, both of whom expressed the approval and support of their organizations for Bill C-177. I wish to read into the record a short statement made by Mr. Melvin before the committee:

> As I am sure you will appreciate, the introduction of Bill C-177 entitled "Canada Co-operative Associations Act" is an event of great significance for the co-operative sector of the Canadian economy. Indeed, co-operators have awaited this legislation for something over 60 years. Governments have come and gone in long succession since the year 1908 to the point where we almost doubted that it could happen.

I find some satisfaction and honour in the fact that I am the minister who, after approximately 63 years, is able to introduce this legislation which has received the approval of all parties. I wish to mention briefly the amendments that were made.

The original words in clause 5 of the bill required any co-operative seeking a national charter to have an office or place of business in each province. These words were replaced by the words "in more than one province". It appeared to some members of the committee that the original text of the bill could be a little too cumbersome and rigid if it received a strict interpretation. Co-operative associations would have been required to have a fixed place of business in each province where they carry on their business. The effects of the amendment is to remove any possible doubts. As a result, it will be sufficient for a co-operative to have a fixed place of business in more than one province. This amendment clarifies the scope of application of the bill and we are pleased to accept it.

Perhaps the most important amendment which was made by the committee concerns the repayment to withdrawing members of loans made to an association. This amendment differentiates the time of repayment depending on whether it is a demand loan or a term loan. It clarifies the provisions of the bill as to the terms of repayment.

The last amendment, asked for by the co-operative movement, has the effect of extending in clause 101 the grounds upon which an inspection or investigation could be carried out. The purpose of the amendment is to permit an inspection or investigation to be carried out for reasons in addition to those specified in the bill, namely that there is reason to believe an association has ceased to carry on its undertaking on a co-operative basis. With the amendments made in committee, the bill has the support of all members of the committee and of the co-operative movement across Canada.

I wish to express my thanks to members of the committee for the expeditious way that they dealt with this bill. I think that those who were somewhat critical of the

decision to send the bill to the Standing Committee on Justice and Legal Affairs will now see the wisdom of that decision in the light of the very excellent way the chairman and members of the committee from all parties dealt with the bill.

I also want to express my appreciation to members of the co-operative movement of Canada with whom my officials consulted over the last 18 months when drawing this bill. I also express my appreciation to the officials of the various provincial co-operative branches with whom my officials had the honour and privilege of meeting on a number of occasions. We were able to learn from these provincial officials with regard to the proper drafting of a national co-operatives act.

The fact that this bill has received widespread support in this House, received speedy and expeditious approval of the Standing Committee on Justice and Legal Affairs and received the uncritical support of the co-operative movement, is indicative of the value of the consultative process that occurred during the course of preparing this bill when meeting provincial officials and members of the co-operative associations. As a result, the government is able to place before Parliament a bill that has the overwhelming approval which this bill has received.

As I said on second reading, Mr. Speaker, the first co-operative bill was introduced and passed in this House in 1908. It was then defeated in the other place. Since that time those interested in the co-operative movement have been looking forward to an act permitting them to incorporate on a national basis. This bill provides the machinery by which co-operatives that organize and operate in more than one province can come to the federal government for a federal charter. That is a very important step to the co-operative movement. I am proud that I, as the Minister of Consumer and Corporate Affairs, am the one entitled to pilot this bill through the House.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I wish to say a few words in support of the final disposition of this bill in this House of Commons. It is a great moment to have this legislation before us, and it was perhaps the greatest moment in the recent history of the Standing Committee on Justice and Legal Affairs. There was some doubt about whether our committee would be able to stand up to the presence of such awesome legislation. We did our best to accept the challenge.

Perhaps our greatest moment in modern times was when the Minister of Consumer and Corporate Affairs (Mr. Basford) appeared before the committee with great humility and suggested that the present legislation was the result of a force far stronger than any royal commission. When I pressed to find what was greater than the force of a royal commission, I found out it was the committee headed by the minister a number of years ago when he was a humble back bencher. The humility on the face of the minister when he made that pronouncement will be cherished by me throughout this session.

The minister deserves his moment of grandeur. As pointed out by the member for St. John's East (Mr. McGrath), it has been many years since legislation of this type was attempted in Parliament. The last attempt failed. Now that we have experienced the easy disposition of this bill in our chamber, it seems strange that there was such difficulty before. When speaking in this debate on November 2, as recorded at page 791 of *Hansard*, the hon. member for St. John's East said and I quote:

> A bill of a similar nature was before Parliament in 1908 but was defeated by the other place for reasons which it would probably not be useful to go into at this particular time.

The reason the other place was ungentle with a measure of this sort in 1908 is an interesting historical fact, but we live in rapidly changing times. Perhaps this bill is the result of what Marshall McLuhan has called the development of the global village concept. The pace of communications has forced us into adopting this measure so that co-operatives which deal interprovincially will have a greater scope for their work. This is really the purpose of the bill.

• (4:00 p.m.)

It is a long bill. I think it is probably longer than the latest edition of the New Testament, as I somewhat irreverently remarked when it was being considered in committee. It is a long measure but its legal effect is simply to give recognition to the fact that co-operatives which operate across provincial boundaries have been established in Canada. For example, a co-operative established in Regina may operate in both Alberta and Manitoba, or a co-operative established in Moncton may deal with Nova Scotia and Prince Edward Island, and have some connection with Newfoundland. In short, the bill gives legal blessing to something which is a fact in Canada today. As a Member of Parliament coming from Nova Scotia where we have done great work in the co-operative field—we were, in fact, the pioneers, as the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) has been good enough to say—it gives me special pleasure to support this legislation enthusiastically. Once again, I cannot for the life of me imagine why, 62 years ago, there should have been any difficulty placed in the way of the co-operative movement by one of the chambers of this place.

May I make a few brief points in closing, Mr. Speaker? I think the bill has been well put together. It is a classic example of what we can do with legislation as a Parliament if due regard is paid to the needs of those who are directly concerned, if due regard is paid by the minister to getting the nitty-gritty of the legislation out of the way before it is presented either to the House or to a committee of Parliament. This is what the Minister of Consumer and Corporate Affairs has done. He has taken this measure, he has vetted it with the people most directly affected; it has been fine tooth-combed probably a half dozen times. All this effort brought its reward. The bill had good going in the committee, but not tough going, because we recognized what had been done by the minister and his officials before they brought it before us. Then, of course, hon. members on both sides of the House had accepted the principles of the measure. This is a

good example of what can be done when legislation is tackled in this way, and accordingly we support it without reservation.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, it is not my intention to delay the third reading of this bill. I rise merely for the purpose of expressing my gratification that this legislation is finally being passed by the House of Commons.

What we are developing in Canada is a mixed economy in which private ownership, co-operative ownership and public ownership each play an important part. The criticism from this party would be that the private sector of the economy wields too great a power and that the sectors of public ownership and co-operative ownership have been relegated to relatively minor roles; that if there is to be social democracy in Canada in any real sense we ought to strengthen the areas of participation in our economy of both the public sector and the co-operative movement.

Throughout the years many of us have been interested in seeing the co-operative movement strengthened and enlarged because it is the one vehicle which provides a counterveiling power to that of the vast corporations which today dominate our economy as a result of their ability to determine their own prices, control their sources of supply and embark on advertising programs which virtually decide buying patterns. In these circumstances, everything which can be done to strengthen and enlarge the co-operative movement ought to be done.

I can remember when I first came to the House of Commons in the 'thirties; the question of setting up a federal association of co-operative societies was raised repeatedly and always we were promised that legislation to this end would be placed on the statute books. During the time I was associated with the provincial government of Saskatchewan, as far back as 1945 we set up the first department of co-operatives of any province, not only for the purpose of introducing legislation to enable the co-operatives to grow and expand, but to give them active support and help. This meant that a high proportion of the business in the province was done on a co-operative basis by both consumers and producers. Since then, other provinces have set up co-operative departments or co-operative branches. Certainly, the Province of Nova Scotia, where the co-operative movement had its birth around the St. Francis Xavier University and Antigonish, has a record of which all Canadians can be justly proud.

When I came back to the House of Commons in 1962, I kept reminding successive secretaries of state of the promises which succeeding governments had made—undertakings that legislation would be brought down enabling the co-operatives to incorporate on a federal basis. If co-operatives are to compete successfully with large corporations which are incorporated federally they, too, must be incorporated federally. At the present time they are limited to provincial incorporation and it is on this basis that they are trying to compete with huge national monopolies and quasi-monopolies. Consequently, the co-operatives have been asking for years, with great patience, that the federal government should provide them with the necessary legal authority to operate on a federal basis so that they may be able to compete successfully with corporations organized on a federal basis.

I think it is a sad reflection on us that we should have taken so many years to accede to the request of the co-operative movement for legislation of the kind now before us. I should like to extend my congratulations to the Minister of Consumer and Corporate Affairs (Mr. Basford) for taking the initiative and bringing in this legislation. I think the co-operative movement will be grateful to him for his action. I want to congratulate him on the kind of legislation he has introduced. It shows a real understanding of the needs of the co-operative movement. I should like to extend my congratulations to the members of the Committee on Justice and Legal Affairs for the thorough work they have done in going over this legislation. Now that it is before the House, I am sure hon. members can take a degree of pleasure in the fact that this will be a red letter day in the life of the co-operative movement, for today the Parliament of Canada has set up an important milestone by giving the co-operatives an opportunity to compete successfully in our economy and to make an immense contribution to the task of helping consumers and producers alike to act collectively for their mutual advantage.

• (4:10 p.m.)

I began by saying that ours was a mixed economy in which we had public, co-operative and private enterprise. Our economy is a three-legged stool, but such a stool will only support our society effectively if there is some fair and equitable relationship between the three legs of the stool. What we need today in Canada is to strengthen both the co-operative and public sectors of the economy. The reason I am very glad the minister has introduced this legislation, and that Parliament is unanimous in passing it, is that I think this will provide greater stability to our economy and provide a means that will protect both the consumers and producers in this country against undue exploitation.

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

* * *

BUFFALO AND FORT ERIE PUBLIC BRIDGE COMPANY ACT

AMENDMENTS RESPECTING BORROWING POWER AND TERMINATION OF JURISDICTION

Hon. Allan J. MacEachen (for Minister of Finance) moved that Bill C-179, respecting the Buffalo and Fort Erie Public Bridge Company, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Buffalo and Fort Erie Bridge Authority which operates an international bridge known as the Peace Bridge between Buffalo, New York, and Fort Erie, Ontario, was incorporated pursuant to a

statute passed in 1933 by the legislature of the State of New York. Property and assets of the Bridge Authority in Canada, however, are acquired, held and managed pursuant to an act of Parliament entitled, "An Act respecting the Buffalo and Fort Erie Public Bridge Company" passed in 1934 and amended for the first time in 1957, and which this bill proposes again to amend.

The Authority consists of 10 members, five of whom are citizens of the United States and five of whom are Canadian citizens appointed by Governor in Council. The position of Chairman of the Authority alternates annually between Canadian and United States appointees.

The bill presently before the House is intended to amend two provisions of the existing legislation. The first amendment is in respect of the limit of the Authority's borrowing power which presently stands at $4 million. This will be increased to $15 million. The second amendment is in respect of the date on which the rights, powers and jurisdiction of the Bridge Authority are to be terminated and the property held by it in Canada to become the property of Her Majesty.

Whereas the existing statute stipulates that the reversionary date is July 1, 1992, or the date on which outstanding bonds are redeemed, whichever is the latter, the proposed bill would substitute July 1, 2020 in lieu of July 1, 1992. The Bridge Authority has been reviewing its long-range plans and anticipates the need to widen the present bridge to accommodate additional traffic. To this end, the Authority will have to borrow additional funds to finance improvements in capital facilities. The provisions of the present bill are designed to put the Authority in a position to proceed with this project.

An act was passed May 13, 1970 by the legislature of the State of New York incorporating amendments corresponding to those proposed in the present bill.

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, I rise to say that we on this side of the House are in accord with the amendments which have been presented here. This is a very short bill with very little detail in it. There is very little to understand about it and, therefore, the bill should take very little time to pass through this House. As a matter of fact, it would seem to me to be quite in order not to send the bill to the committee for study but to handle it in the Committee of the Whole House, thereby accelerating the passage of the legislation. I trust that the government might find some means whereby this can be accomplished.

There are some general comments I should perhaps make on the Peace Bridge, as it is commonly known and as referred to by the hon. member who introduced the amendment. It serves the people of western New York state and southern Ontario. It is the terminus of the Queen Elizabeth Way and also No. 3 provincial highway across southern Ontario. This bridge provides a means for United States tourists to visit tourist areas along our north shore. I was pleased to hear during the introduction of these amendments that the purpose is to improve the bridge and widen it. This is long overdue because, as I have pointed out, it serves this part of southern Ontario and western New York State where the traffic has doubled or tripled since its erection. The widening of it is therefore long overdue.

The bridge serves the north shore of Lake Erie where there are several resort areas to which United States tourists are attracted. This is the easiest access route. I have in mind such areas as Woodlawn Park, Peacock Point, Port Dover, Turkey Point and Point Rowan.

An hon. Member: Hurray for Turkey Point.

Mr. Knowles (Norfolk-Haldimand): The hon. member says, "Hurray for Turkey Point". I agree with him and I invite all hon. members to visit these lovely resort areas on Lake Erie. Despite all the adverse publicity about Lake Erie being a dead lake and a cesspool of North America, this is just not true of the north shore. The currents in the lake generally run along the south shore where the major pollution exists. Anyone who had a look at Lake Erie from a low flying light aircraft could easily see the difference in the colours between the north and south shores.

So, I want to say here and now that the resort areas on the north shore of Lake Erie are excellent places to spend a vacation and many United States people cross the Peace Bridge to visit this lovely part of Canada. This route is also of benefit to the people in this part of the United States in that they find the bridge route to No. 3 highway the shortest route between Buffalo and Detroit. This saves them detouring around the south of Lake Erie to get to their destination.

As I said at the beginning, we approve of this measure and feel we should not spend a lot of time in passing it. The purpose is quite clear and I am sure there is no skulduggery involved here as was intimated in respect of another bridge, namely at Port Huron. We on this side, therefore, suggest rapid passage and perhaps it can be handled by the Committee of the Whole.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I have just a few remarks to make at the second reading stage. At the outset, I am in agreement with the suggestion of the previous speaker. I see no reason why we cannot deal with this bill in the Committee of the Whole without sending it to the standing committee. However, I leave that to the discretion of the Parliamentary Secretary and his colleagues.

In looking over the history of this company, and bridge legislation, in general which has been dealt with over the years, a number of questions come to mind. Perhaps these could be held until we get to the committee stage, but I note that in 1923, again in 1934 and 1957, there were amendments to the provision in respect of reversion of the property to the governments of Canada and the United States. We have continued to extend the date for this reversion. In 1957, the date was extended to 1992 and it is to be extended to 2020. I suppose that is far enough ahead to make sure that none of us are here when that date arrives. I wonder what the purpose is of having that provision in the bill. If it is a good idea to

have a public company operate the bridge, why worry about the reversion clause. Perhaps the United States is afraid the Parliamentary Secretary might saw the bridge in half and take our part home. I do not see the necessity for this clause unless we really intend that those parts of the bridge lying on either side of the international boundary become the property of the governments and people of our two respective nations. Personally, I would like to see that happen.

• (4:20 p.m.)

I do not see any point in having a separate company operate a public thoroughfare such as this bridge. I do not understand why this could not be done very shortly. From a reading of the debate of 1957, it would seem that had the act not been amended then the bonds would have been paid off by 1962 and the respective halves of the bridge would have reverted to the government of Canada and the government of the United States. I do not know why that was not allowed to happen. I do not doubt that originally the local people felt a need for the bridge and, therefore, formed a private company. During the period from 1923 to 1927, a Canadian counterpart company was formed and laws were enacted in the United States and in Canada. This situation has existed ever since. I would appreciate having more information from the Parliamentary Secretary when we deal with the bill at the committee stage, or perhaps he or one of his colleagues would give further answers now.

I appreciate the desire to increase the borrowing power of the company from $4 million to $15 million because of the necessity to widen the bridge, but I do not understand why these funds could not come from the public treasury of the two respective countries rather than as a result of issuing bonds and paying interest for many years. If it is necessary to have bonds, then I do not understand why the governments of Canada and the United States could not buy up 50 per cent of the bonds each and collect the interest themselves, as is the case in respect of CNR bonds. This would make more sense than adding an additional cost to the users of the bridge.

Back in 1923 or 1925, the amalgamation of the two companies was envisaged. This was reiterated in 1934 and 1957. The intent was that the bonds would be paid off, the bridge would revert to the ownership of the two respective countries and the tolls would be reduced, if not eliminated. The tolls have not been reduced and I suspect they have been increased on more than one occasion. I hope the Parliamentary Secretary could provide information on this.

I believe there is other information for which we might ask and to which we should be entitled concerning the total annual revenue from tolls. Perhaps he would take the last few years, for example, and tell us whether the revenues have been sufficient to retire the debt and pay the interest and operational charges of the bridge. Also, we might be told whether there is any surplus because there is provision for any surplus to be divided equally between Canada and the United States.

Then, perhaps we could be informed whether the original bond issue has been paid off. I suspect it has been paid off. It would be of interest to ascertain that, as well as the total amount of interest paid out. Then, we might be given information concerning the bond issues in 1934 and 1957. We would like to know the amount of the present bonded debt, the rate of interest in respect of each issue, when the bonds are due and whether the revenue from tolls is meeting the obligations in respect of debt retirement, maintenance, repairs and so on of the bridge itself.

Finally, I should like to return to my initial point and request that the Parliamentary Secretary provide the reasoning behind the perpetuation of this private company. He might tell us why the objective sought is to be achieved in this manner rather than through the bridge reverting to the ownership of the two countries. I will not call this a dummy company because I do not intend to be unkind, but it is an extra facility which I do not believe is necessary any longer. We do not intend to oppose the bill, but I believe it would be helpful if the Parliamentary Secretary could provide this information either now or at the committee stage.

Mr. Deputy Speaker: Order. I must advise the House that if the Parliamentary Secretary speaks now he will close the debate.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the hon. member for Norfolk-Haldimand (Mr. Knowles) I believe made a very valuable suggestion. He suggested this matter might be most expeditiously dealt with by having the bill considered by the Committee of the Whole rather than by the Committee on Finance, Trade and Economic Affairs. However, since the hon. member for Regina-Lake Centre (Mr. Benjamin) has indicated a desire for information which I believe can be best satisfied in the standing committee rather than in the Committee of the Whole, accordingly and regretfully we cannot accept the suggestion of the hon. member for Norfolk-Haldimand.

I do not think it is necessary to elaborate any further on the bill. It will be dealt with fully and the answers to the questions of the hon. member will be provided during the meetings of the standing committee.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

* * *

MERCHANT SEAMEN COMPENSATION ACT

AMENDMENTS RESPECTING PROTECTION, COMPENSATION, PAYMENTS TO WIDOWS AND DEPENDENT CHILDREN

Hon. Bryce Mackasey (Minister of Labour) moved that Bill C-188, to amend the Merchant Seamen Compensation Act and to amend an act to amend the Merchant Seamen Compensation Act, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, like many of the bills before us this afternoon this is a relatively minor bill in many respects but major in many others in that it has as its purpose amendment of the Merchant Seamen Compensation Act in three areas especially, if I recall correctly. First of all, the intent is to increase the scale of compensation presently provided under the act to seamen who are not covered by compensation in certain provinces in Canada, namely the Atlantic provinces. The reason they are not covered by provincial compensation is a rather historic one.

Generally speaking the purpose of the bill, as it presently stands, is to provide compensation for seamen from the Atlantic provinces who are not covered by provincial compensation acts. Since this act has been in existence for many years, a certain number of people received compensation as a result of accidents which occurred on the job. The one change that we would make of course, the obvious one, is to increase these rates of compensation to bring them in line with the compensation provided in the Atlantic provinces in those areas that are covered by Provincial compensation. Therefore, the scale of the new bill would be uniform with the highest scale in any of the Atlantic provinces at the present moment.

• (4:30 p.m.)

The second change that we are recommending in the bill is to provide for these periodic increases through the Governor in Council. The regulatory factor here is that the increases would always be in conformity with the increases that occur in the various provinces.

The third, and perhaps the more important, feature in the eyes of many people has been suggested to me by the hon. member for Halifax-East Hants (Mr. McCleave). On many occasions in the House of Commons, and particularly through correspondence, the hon. member for Halifax-East Hants has emphasized the need for broadening the definition of the word "accident" to include certain illnesses, if I may use that expression, that occur on the job, such as dermatitis and illnesses of this nature. Again, this is pretty well in conformity with the more enlightened legislation that exists in the provinces.

To repeat, the three areas that are covered by the bill are: first, to increase the benefits of compensation to the people covered by this act to bring them into conformity with the levels of compensation in the various provinces; second, to provide that we can keep pace with the necessary changes to this act through the Governor in Council rather than by bringing them back to the House each time; and third, to broaden the definition of "accident" in conformity with the wishes of the hon. member for Halifax-East Hants and in order to bring it into conformity with the legislation in other provinces.

I might remind the House that the cost for those already on compensation would come out of the Consolidated Revenue Fund. It is rather nominal in amount, and of course the cost of compensation for future accidents and so forth will come from the employers of people covered by the act. I hope, therefore, in view of the fact that the main purpose of this bill is to raise the benefits to people presently under the act and to those who may have the misfortune to come under the act in the future, this bill might receive a speedy passage. Possibly we could waive the necessity of going to the standing committee and have it accepted in committee of the whole this afternoon.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I wish to thank the minister for his statement. So far as my party is concerned, we would be willing to adopt the course suggested by the minister.

The minister has put forward very fairly the three principal changes in the bill. I think it should be emphasized that until we, as a Parliament, act and pass the bill, the benefits that flow therefrom will not reach the people who are concerned. Therefore, there is an immediacy about it that I am sure appeals to hon. members who want quick remedies. I know that my associates will agree with me when I say that should it be desirable to go into committee of the whole immediately and have the bill cleared in the House of Commons today, there would be no objection from this side.

May I also say I am very pleased that the minister and the Merchant Seamen Compensation Board have listened to a representation that I made. The minister has been more than generous in his reference to me in that regard, but the representation came from a woman in Halifax, a Mrs. Joyce Tines whose husband some years ago was serving on a boat going into the Caribbean. He suffered an illness and died. The man died, not because he was hit by a falling boom or the like but because of some infection that had entered his body. Under the old act he was simply not eligible for compensation, although the fact that he had an illness had been just as accidental as if he had been hit by something. However, there was that legal difference and the widow did not collect compensation. I suppose she cannot collect it even now, although in future other people who suffer an illness when they serve as Canadian merchant seamen abroad will be compensated. We have not solved Mrs. Tines' problem directly but I think a large part of the act should be called the "Tines act" because she fought for a cause on behalf of others.

In conclusion, may I again thank the minister for his generosity. I support this bill and I hope we can deal expeditiously with it.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I think I can say that I welcome this bill because of one feature of it in particular, that is the provision which will enable compensation rates to be suitably adjusted from time to time without direct reference to Parliament. If I remember correctly, this is about the third time I have been involved in a discussion of a bill similar to this one in respect of this particular act. The proposal for bringing the rates in line with those that are now generally prevailing under the various other compensation acts in the country is one that we can support.

I must say that a good point has been raised with particular reference to the broadening of the coverage. Apparently, a particular individual's problem must be

brought into the open before this can be accomplished. I am glad the minister has acted to bring forward this proposal which results from the circumstances that were described by the hon. member for Halifax-East Hants (Mr. McCleave). Certainly, the proposed broadening does not go beyond the normal terms that one expects in a compensation act. So far as my knowledge of British Columbia's law is concerned, any accident occurring in the course of or connected with the employment of an individual is deemed to be compensable. I think that if hon. members from the Atlantic coast, who are more knowledgeable of the details of the administration of this act, are satisfied with the suggestion that we deal with the bill expeditiously in committee of the whole, then from the general knowledge that I have of the act and the way it has functioned in the past I can see no objection to that procedure.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, we now have before us Bill C-188, "An Act to amend the Merchant Seamen Compensation Act and to amend an Act to amend the Merchant Seamen Compensation Act".

The explanatory notes read in part as follows:

The purpose of this amendment is to broaden the circumstances in which protection is afforded under the Merchant Seamen Compensation Act to merchant seamen and their dependants to include circumstances where disablement arises out of and in the course of employment.

And with respect to clause 2 of the bill, it is stated:

The purpose of these amendments is to increase the amounts of compensation . . . in respect of allowances for widows and dependent children of merchant seamen.

Mr. Speaker, we are aware that the people concerned by this bill have to face the cost of living which has reached an alarmingly high level and since they are in no way responsible for this increase, it is only fair and reasonable, in my opinion, that the government should proceed as it is doing now, through the minister, by introducing this bill in the House to enable these stricken people to avail themselves to a certain extent of this security to which they are entitled.

In view of all the opportunities which exist at all levels in this country, we know that Canadian production is high enough to allow each and every citizen to get his fair share without ever having to dread the future.

Because this measure will mainly benefit those seamen's widows and dependents, whether they have experienced the death of a kin or been sick or suffered an accident, we of the Ralliement créditiste shall consider it our duty to support this bill.

• (4:40 p.m.)

[*English*]

Mr. Deputy Speaker: Is the House ready for the question? The Chair gathered there was a suggestion from hon. members who spoke that the order be changed to refer the bill to the Committee of the Whole rather than to the Standing Committee on Labour, Manpower and Immigration. I ask the House if that is the wish, that an order be made accordingly? Is that agreed?

Some hon. Members: Agreed.

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

Clause 1 to 7 inclusive agreed to.

On clause 8—*Coming into force.*

Mr. McCleave: Mr. Chairman, may I ask the minister when it is planned to have the act proclaimed since we know that is the date on which it will be effective.

Mr. Barnett: Mr. Chairman, I was going to ask the same question.

Mr. Mackasey: Mr. Chairman, I am hoping that this bill will also soon be passed by the other place, and certainly that the new rates will be in effect no later than January 1, something which would have been impossible if the bill had been delayed by the House, with possibly prolonged sittings in the Standing Committee. I can now assure the House that in view of the co-operation that has been extended the new rates will be effective as of January 1 next.

Clause agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

ANTI-DUMPING ACT

AMENDMENT RESPECTING TRIBUNAL, INQUIRIES, REPORTS, ETC.

Hon. C. M. Drury (for the Minister of Finance) moved that Bill S-6, to amend the Anti-dumping Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

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

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, hon. members may recall the government statement reporting to the House on the impact of concessional financing on Canadian interests and the measures the government proposed to use in mitigating its effects in so far as it causes injury to Canadian industry. One of these measures was amendment of the Anti-dumping Act, broadening the terms of reference of the Anti-dumping Tribunal to permit it to determine injury or threat of injury to Canadian producers from imports for causes other than dumping.

The term "concessional financing" describes the practice adopted by some foreign governments of guarantee-

ing loans to Canadian borrowers at interest rates lower than commercial rates prevailing in the lender's home market in exchange for the borrower's commitment to purchase goods from producers in the country of the lending government.

Governments of most industrialized countries have provided facilities for financing exports for many years. Historically, government interest rates for such financing have been equal to, if not greater than, commercial rates. Under these conditions government export financing did not have a significant influence on trade between developed countries where businessmen have access to efficient money markets. However, over the past few years interest rates on government export financing have increased less rapidly than commercial rates. Therefore, such financing has become more attractive to prospective borrowers, and they are willing to commit themselves to limit their purchasing to firms in the lending country in exchange for concessional credit terms. The effect of such purchase commitments made by Canadian borrowers is to limit Canadian producers' opportunities to supply the needs of the Canadian market. Therefore, the government has decided to take measures to mitigate injury caused to Canadian producers by concessional financing.

I should like to make it perfectly clear that the interest rate differential which is of concern is that between the rate offered through the facilities of a foreign government's export financing program and that which prevails in the commercial money market of the lending country. We realize that there will often be differences in rates between commercial markets in different countries. This latter difference is analogous to differences which occur internationally between costs of other resources, and as such is a normal feature of international trade.

One of the measures is embodied in clause 3 of Bill S-6 to amend the Anti-dumping Act. This clause provides that the terms of reference of the Anti-dumping Tribunal be changed to permit the Governor in Council to direct the tribunal to inquire into circumstances relating to the importation of any category of goods, and to determine whether or not such imports are causing or may cause injury to Canadian producers. The tribunal's present terms of reference provide that it may inquire into injury from imports only in so far as injury is caused by "dumping", that is, when the "export price" of goods is lower than the "normal value" of like goods in the country of export.

However, there are other categories of imports which may cause injury, such as those whose prices are affected by government subsidies, or those imported in large volume at very low prices in a short period of time which disrupt orderly growth of a market and have an adverse effect on both Canadian producers and on exporters to Canada who have already established a position in the Canadian market.

The General Agreement on Tariffs and Trade recognizes the right of members to take action against such imports, and measures to permit such action are embodied in Canadian legislation. Specifically, the Canadian Customs Tariff provides that special duties may be imposed on imports which are subsidized by the government of the exporting country (section 6), or which are imported under conditions which cause serious injury to Canadian producers (section 7). While the Canadian legislation is consistent with GATT, we are obliged to defend action taken under these provisions by providing proof that injury has been caused or is threatened by certain imports. At present, the proof of injury is determined by the Governor in Council on the advice of officials. The new terms of reference proposed for the tribunal will permit the tribunal to determine questions of injury on request of the Governor in Council.

There are three principal advantages to the course proposed. First, the tribunal has developed considerable expertise in ruling on questions of injury through its inquiries relating to dumping under the Anti-dumping Act. This expertise can be readily applied to a number of categories of imports which may cause injury and will ensure consistent application of injury criteria as between types of imports.

Second, the tribunal already has the authority to obtain all the data necessary to analyse particular import situations, and a mechanism for holding hearings and accepting formal representations. Finally, it is independent of conflicting pressures of departmental administration and is able to devote all its resources to assessment of injury.

• (4:50 p.m.)

For these reasons, assignment of general responsibility for determination of injury to the Anti-Dumping Tribunal will increase the administrative effectiveness of these elements of our national trade policy and our ability to meet our obligations to the General Agreement on Tariffs and Trade.

During consideration of this bill by the Senate Committee on Banking, Trade and Commerce, members of the committee expressed concern that clause 3 as proposed did not clearly define the new terms of reference of the tribunal. The committee therefore recommended that the clause be redrafted to refer specifically to the tribunal's interest in "imports which might cause injury". The government has agreed to the suggested amendment in principle and I expect to propose an appropriate amendment for discussion in committee.

The bill also provides a number of technical amendments which have been included to clarify the wording of the present legislation in the light of experience gained in administering it. Most of the changes are self-explanatory. However, I would like to make specific reference to one or two of them.

In the present act, subsection 3 of section 29, provides that the tribunal must not make public any information which would adversely affect the competitive position of parties to the injury. This provision ensures that parties to an anti-dumping investigation will be willing to provide the type of information required to permit a thorough inquiry by the tribunal. "Parties" in this context includes importers and foreign producers as well as

Canadian producers. The clause in the Canadian legislation reflects the provisions of Article 6 of the GATT anti-dumping code.

The present legislation states that confidentiality should apply to information obtained during tribunal "hearings". During the course of an inquiry the tribunal, of course, obtains a good deal of information in addition to that presented in formal hearings. Clause 7 of this bill amends the wording of subsection 3 of section 29 of the act to provide that no confidential information received under any circumstances during the course of the tribunal's inquiries should be made public in such a way as to make it available to a competitor.

Section 28 of the present act provides that a member of the tribunal may act on behalf of the tribunal as a whole in obtaining evidence. It further provides that a member acting on behalf of the tribunal should report results of his investigation to the tribunal as a whole, and that the report should be made available to each of the parties to the investigation. Much of the information in such reports will be confidential within the meaning of subsection 3 of section 29 of the act. Clause 6 of this bill will amend the act to relate the procedure for reporting between members of the tribunal specifically to the confidentiality provisions of the act. The report of a member of the tribunal to the tribunal as a whole will, therefore, be subject to the same confidentiality criteria as that established for information submitted directly to the tribunal as a whole.

In summary, this bill is put forward to broaden the present terms of reference of the anti-dumping tribunal to permit it to inquire into whether or not certain categories of imports are causing or may cause injury to Canadian producers, for reasons other than dumping. This will permit us to meet our obligations to GATT more effectively in cases where GATT and Canadian legislation provide that injury must be shown before action can be taken to restrict imports.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, it is rather interesting to note that the hon. Parliamentary Secretary's explanation is longer than the bill. This bill has already had exhaustive study. If we look back at last year's proceedings when this act was brought into effect, we will see that it was preceded by a white paper along with a draft bill which was studied *in extenso*. The government then reconsidered the whole operation and brought forward a bill on which I suppose every one thought they had done a very good job. In certain areas the government resisted amendments. I cannot say now whether these amendments include any that were resisted, but I think there are refinements. Undoubtedly, the experience of one year has brought about suggestions for making the act a better vehicle.

The motion at this time is to give this bill second reading and refer it to the Committee of Finance, Trade and Economic Affairs. I do not intend to go into it at any great length, therefore, except to say that it is really a housekeeping bill. The real import is not so much to dot the "i's" and cross the "t's" or to change three months to 90 days; these are matters of little consequence. You may recall, Mr. Speaker, that at the time this legislation was under consideration last year we were concerned about what would motivate or energize the anti-dumping tribunal to conduct an examination of the practice of dumping any commodity. I know that a great deal of time was spent by public witnesses who made representations at great length on this bill, and also by members of the committee as well as by members of the public service charged with the administration of this legislation.

I would say that the principal provision of this amending bill is that an inquiry into matters in relation to imports that might be injurious to the trade or commerce of Canada may be made by direction of the Governor in Council. In other words, it is not only the deputy minister of National Revenue or a complaint from the trade that may initiate this inquiry. The cabinet itself may initiate it.

It would be very interesting to find out from the Minister of Finance (Mr. Benson) or his representative why the cabinet has been moved to cause this amendment to be put into amending legislation within a year after the enactment of the major bill. With that interesting question, I would recommend to the House that we give this bill second reading so that we may get the answers to these and other questions in committee.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I call it five o'clock?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Simcoe North (Mr. Rynard)—Unemployment Insurance—inclusion of hospital workers—payment of cost; the hon. member for Kootenay West (Mr. Harding)—Northern Affairs—implementation of land use regulations—performance bonds; the hon. member for Portneuf (Mr. Godin)—Oil—possible review of National Energy Board policy.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, Public Bills, Private Bills, and Notices of Motion.

Tobacco Health Hazard Act

PRIVATE MEMBERS' PUBLIC BILLS

BRITISH NORTH AMERICA ACTS, 1867-1967

AMENDMENT CONCERNING FINANCING OF PRIVATE MEMBERS' PUBLIC BILLS

On the Order: Public Bills.

October 20, 1970—Second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-9, An Act to amend the British North America Acts, 1867 to 1965 (Financing of private members' public bills).—*Mr. Baldwin.*

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I am going to ask that this bill stand at the request of the government in the hope that the whole question of private members' public bills will be raised in the Committee on Procedure and Organization. Therefore, I would ask that it stand, if the government will agree.

Mr. Mahoney: Stand.

The Acting Speaker (Mr. Laniel): Stand, at the request of the government.

* * *

• (5:00 p.m.)

TOBACCO HEALTH HAZARD ACT

PROVISION RESPECTING WARNING LABEL

Mr. Kenneth Robinson (Lakeshore) moved that Bill C-14, respecting tobacco as a health hazard, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, I am pleased to have this opportunity of presenting Bill C-14, respecting tobacco as a health hazard. This bill was on the order paper on a previous occasion but was not reached. This is the first time that a bill I have sponsored has been discussed on the floor of the House of Commons. I recall that two years ago some constituents of mine suggested it was a waste of time for private members to present bills. I can assure them now that this is not the case, because a bill of mine has come before the House and we now have the opportunity of discussing it.

The purpose of Bill C-14, respecting tobacco as a health hazard, is to make certain that tobacco and cigarette users are aware at all times that the use of these substances constitutes a health hazard. It is also proposed that a written and graphic warning be placed on all packages of tobacco and cigarettes. Clause 2 of the bill reads:

> All packages of tobacco and cigarettes shall bear the words "Health Hazard—use at own risk" with a skull and cross-bones symbol thereunder, in a prominent place on the front of the package.

The report of the Standing Committee on Health and Welfare, which dealt with the subject of tobacco and cigarette smoking, reads in part as follows:

> It is no longer in the public interest to prolong the debate about whether cigarette smoking is a health hazard.

[The Acting Speaker (Mr. Laniel).]

> There can be no question that if cigarettes were a food or a drug or newly marketed, their sale would have to be prohibited or strongly regulated on the basis of evidence now available.

The report continues:

> It is perfectly obvious, however, that cigarettes cannot be banned today. Cigarette smoking is too widespread and is the basis of an economically important industry from grower through to retailer. Widespread illegal manufacture and distribution could be expected and economic hardship for growers, workers and others could follow a precipitous dismantling of the industry.

Consequently, there are two interests that must be balanced. The first is public health; the second is the protection of various segments of the tobacco industry. Let us first consider the question of the tobacco industry. The tobacco industry in Canada supplies full time employment to approximately 24,000 people. In addition, it supplies seasonal employment to 40,000 others. Every year in Canada the tobacco industry spends approximately $60 million on salaries for workers in the industry, pays $15 million for media advertising, spends $10 million on transportation costs and spends another $40 million on packaging materials and other supplies. In 1969, the total capital investment in Canadian tobacco farms was approximately $436 million. In 1968, of the total federal revenues, 6 per cent, or $555 million, was provided by the federal tobacco tax collections.

The other matter I now wish to consider is that of public health. On the public health side, cigarette smoking is one of the leading causes of preventable disease in Canada. According to the Report on Tobacco and Cigarette Smoking, 1969-70 of the House of Commons Standing Committee on Health, Welfare and Social Affairs, "cigarette smoking seems to be the dominant factor in the production of lung cancer and chronic bronchitis and emphysema", and is "an important risk factor in the development of coronary heart disease." The 1969 United States government supplement on health consequences linked smoking to coronary disorders, chronic bronchitis, pulmonary emphysema, throat and respiratory cancer and non-cancerous diseases of the mouth.

The risk of a fatal heart attack among the middle aged is two to three times greater for smokers than non smokers. Average male smokers have a ten times greater risk of lung cancer than non-smokers. Average male smokers have a six times greater death rate from chronic bronchitis and emphysema than non-smokers. I submit that these figures are irrefutable and ought to be taken into account in the consideration of this bill.

In 1968, the Department of National Health and Welfare estimated that a minimum of 10,000 Canadians die unnecessarily each year because of cigarette induced diseases—mainly heart attacks, lung cancer, chronic bronchitis and emphysema.

In October, 1970, the chief medical adviser for the British government reported that 100,000 Britons per year were being killed by cigarettes. In August, 1970, a study by a Berkley demographer indicated that smoking may be the strongest factor in the cessation of the trend toward longer life expectancy for western man. In January, 1970, a Japanese study revealed that Canadians are

the second heaviest smokers in the world, second only to Americans.

The 1964 report of the Advisory Committee to the Surgeon General of the United States reported that death rates for smokers of cigarettes only are about 70 per cent higher than those for non-smokers and increase with the amount smoked. For those who smoke less than 10 cigarettes per day, the death rate, as compared with that of non-smokers, is 40 per cent higher. For those who smoke between 10 and 19 cigarettes per day the death rate is 70 per cent higher. For those who smoke between 29 and 39 cigarettes per day, it is 90 per cent higher, and for those who smoke 40 or more cigarettes per day, the death rate is 120 per cent higher than it is for non-smokers. Once again, Mr. Speaker, I submit that these are irrefutable statistics and ought to be considered carefully.

A study by the Canadian Department of National Health and Welfare entitled "Trends in Death Rates from Diseases of Interest in Relation to Smoking in Canada: 1950 to 1966", concluded that although in this period over-all mortality in Canada was reduced, "arteriosclerotic heart disease (including coronary) lung cancer, chronic bronchitis and emphysema all showed a marked increase in crude mortality during this period for both the male and female population." The study went on to say that, "recent excess mortality for these diseases was related to smoking".

On January 1, 1966, by virtue of the United States Federal Cigarette Labelling and Advertising Act, all cigarettes manufactured, imported or packaged for sale or distribution within the United States were required to carry the following warning: "Caution: Cigarette Smoking May be Hazardous to Your Health". Since that time this warning has proven to be too weak and ineffective.

In conclusion, Mr. Speaker, may I suggest that, given the obvious danger to health presented by cigarette smoking, given the educational program of the Department of National Health and Welfare to combat smoking and given the recommendation of the Standing Committee on Health, Welfare and Social Affairs that cautions be placed on packages of cigarettes as part of this educational program, it is recommended that the written warning, "Health Hazard—use at own risk" be placed on all cigarette packages manufactured or sold in Canada and that this warning be accompanied by a graphic warning in the form of a skull and crossbones. I submit that this symbol is vitally necessary to reinforce the written warning which has not proven effective in the United States. I hope that the minister will agree to the suggestions made in this bill, and that there will be unanimous support throughout the House for the bill to be passed at the earliest possible ime.

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, I became aware only a few moments ago that the hon. member was to introduce his private members' bill during this hour. For that reason, perhaps my remarks will be briefer and not as comprehensive as they otherwise would have been. First, let it be said clearly that we on this side of this House, myself included, and I speak as a tobacco farmer representing a great many tobacco farmers in the county of Norfolk and the surrounding area, take second place to no one in our concern for health and welfare in this country.

• (5:10 p.m.)

The position that our marketing board has always taken on this controversial issue is that statistics, as liberally quoted by the mover of the bill, can be cited to show that there is perhaps some connection between smoking and health. I remind Your Honour they are purely statistics, damning though they may be. We could also cite the statistics to show quite the reverse if we took the time and energy to hunt for them. We are not convinced that the consumption of tobacco and cigarettes will shorten the life of every person. One can cite many examples of persons who have lived normal, healthy, long lives although they have smoked during most of their lifetime. If tobacco is as deadly as suggested by the hon. member, how can this happen? However, that is not what we are here to argue. I admit that there is statistical evidence that points to what the hon. member has said.

This bill deals with the labelling of cigarette packages with respect to the health hazard. As pointed out by the hon. member, when legislation in this regard was enacted in the United States, the packages were labelled to show that tobacco is a health hazard. It was later modified to read "The product contained in this package may be injurious to your health." I think the word "may" is very important. If the hon. member would be willing to insert that word in his bill, I would be more willing to support it, although not completely. The public would at least be made aware of the problem that may exist.

The individual should assess the hazard for himself. There are documents, pamphlets and literature disseminated by the Department of National Health and Welfare. Family doctors will advise individuals as to whether they should smoke. I admit that many people should not smoke. Once we have drawn these facts to the attention of the individual, he can make his own decision.

Why is tobacco singled out as the great culprit? Is it because it is easy to gather statistics on tobacco? What about liquor? In quoting statistics no one has separated the evidence to show whether it is tobacco alone or the combination of tobacco and alcohol that is harmful. We should not single out one commodity when others may be equally as harmful to human health. What about over consumption of food? Perhaps bread should be labelled to show that too much is harmful. We should not make tobacco the whipping-boy for all health hazards. There are many other foods to which the Department of Health and Welfare should direct its attention.

The hon. member rightly pointed out the dollars that are derived from the tobacco industry. I wish to deal with what has happened in the county where I live. The men who grow and sell tobacco at a reasonable price receive the most dollars per acre return of all agricultural products grown in Canada. This is an anomaly. If this

is so, why do farmers reap such great benefits from growing and selling tobacco? The fact remains that they do receive these benefits. As long as they continue to receive these benefits, they will continue to grow it.

The area where I live was a waste land of drifting sand dunes until it was discovered that tobacco flourished well in that land. Instead of wasteful desert lands, that area today is a prosperous community of well kept buildings. The people of that area are tired of being the whipping-boy for all health hazards in Canada. I would like to see some common sense and perspective introduced into the background of national health. I could cite figures, but I do not think it is necessary.

If this House passes this bill, which I doubt because it will probably meet the fate of most private members' bills, I will move an amendment in this House or in committee to insert the word "may" on the label of any cigarette package in Canada.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, usually when my namesake and I take part in the same debate, we find ourselves on the same side of the issue. This is particularly true in matters respecting veterans' pensions and so forth. However, although our surnames may be the same, I must make it clear that we hold opposite views on this question. I appreciate his position that all of the blame for ill health and disease should not be put on one product, but the case made by the hon. member for Lakeshore (Mr. Robinson), and the statistics he has given us, must be taken seriously. I think his bill is well drawn, simple and clear. The marking that he believes should be put on tobacco in my view, ought to be there. Therefore, I hope that the House will have the good sense to support this bill.

[*Translation*]

Mr. Gaston Isabelle (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, first of all I should like to thank my colleague from Lakeshore (Mr. Robinson) for having introduced the bill the way he did this evening.

I also know to what extent the members for Norfolk-Haldimand (Mr. Knowles) and for Winnipeg North Centre (Mr. Knowles) were concerned with the matter when the Standing Committee on Health, Welfare and Social Affairs studied the dangers of tobacco a year ago.

I should like to speak today of a widespread habit, that of cigarette smoking. What I want to say about it is very simple. The use of cigarettes, from the point of view of the individual as well as society, is harmful. Too often that habit contributes to disability, illness, and as we all know, death itself.

I do not wish to give a series of statistics. Neither do I wish to give the clinical details of the process by which cigarette smoking brings about illness. However, I wish to point out that I am personally satisfied that smoking is a health hazard.

[Mr. Knowles (Norfolk-Haldimand).]

We meet everyday people who come to see us and others who will come occasionally. Today more than ever hospitals are full of patients with lung cancer.

Cigarette smoking is easily habit-forming, and there lies the real hazard. Smoking is physiologically habit-forming. Breaking the habit does not come naturally, you have to fight hard to succeed.

I mentioned that cigarette smoking is detrimental both to the individual and to the community. The individual hazard can be easily pointed out. As I have just said, tobacco is one of the main causes of lung cancer. Moreover, smokers are more exposed to other forms of cancer than non-smokers.

I do not want to frighten people without reason, but I feel that is a known and unmistakable fact. It is obvious that people are not happy to have cancer, since the death rate is very high for this disease.

It is not the only indictment against cigarette smoking. Because cigarette smoking causes lung damage, it also makes one more prone to chronic respiratory diseases such as bronchitis and emphysema. Those who have been suffering from a painful and dry cough as a result of cigarette smoking will know what I am talking about.

How many complain to doctors in clinics of fits of coughing in the morning? And that is not all. The Heart Foundation has confirmed that the use of tobacco is an important factor in heart diseases. Indeed, it has been found that the death rate for cigarette smokers is 70 per cent higher than that of non-smokers. The risk is particularly high for young or middle-aged smokers, since they are two or three times more likely to come down with those illnesses than non-smokers in the same age group.

Coronary troubles hold the first place among fatal illnesses in our country. On the whole, there is no doubt about it. Smoking shortens life. Indeed, it has been clearly proven that each cigarette reduces a man's life by eight minutes.

This figure could also be calculated in years. Thus, a 32 year-old man who smokes from half a pack to one pack of cigarettes a day shortens his life by five years.

In the case of heavy smokers, the rate is obviously higher.

• (5:20 p.m.)

Therefore, cigarette smoking is an extremely dangerous habit. If it was found, for instance, that a given type of toothpaste or a certain brand of cereals presented a similar hazard, public opinion, I am sure, would require it to be completely withdrawn from the market. After all, health is one's most valuable possession, and life, an irreplaceable treasure.

One must not forget either that tobacco consumption involves certain undesirable, although not medical, consequences. A considerable number of man-days and man-hours are wasted yearly through ailments resulting from smoking—not to mention medical and hospital costs

involved. Furthermore, numerous precious talents are forever annihilated through deaths resulting from lung cancer, heart attacks and other diseases caused by tobacco addiction.

Beyond economic considerations, there is man himself. We can never forget that in the end it is a question of health, happiness and life for countless number of productive Canadians. The surest way of avoiding the smoking habit is obviously never to start and to endorse the slogan "unlit cigarette, harmless cigarette".

I do not expect to see most inveterate smokers renounce their habit from one day to the next, although if they did I would be very happy.

Nevertheless it is among young people who have not yet started to smoke that lie our best chances of success. Statistics concerning youth are very interesting: Canada 50 per cent of Canadian men aged 15 and over smoke cigarettes; among women the rate is about 33 per cent.

Now let us look at some figures regarding young people. In the age group from 15 to 19 years, 35 per cent of the boys and 21 per cent of the girls are regular smokers. In fact, this figure is rather lower than it should be because even if educators and parents are systematically opposed to this addiction, it is often indulged in secretly. Most smokers contract the habit in their teens and if we succeed in lowering this percentage our efforts will not have been in vain.

For several years the department has been compaigning against tobacco. It has been especially preoccupied with youth. This program was to a large degree educational since we tried to convince smokers to stop smoking and non smokers to abstain from starting to do it by showing them the risks tobacco is to health. We think that we have succeeded in a way.

The smoking habit is so deeply rooted that the prohibition of cigarettes would not give any result and would also be an attack against individual freedom. Furthermore, we cannot encourage our young people to develop the syndrome of forbidden fruit. Even if cigarette smoking is prohibited in secondary schools, statistics show, as we know, that this habit is spread among students attending such institutions.

If because of us the use of cigarettes became a forbidden pleasure, we would only incite a greater number of people to try this experience. Mr. Speaker, you may have been yourself the victim of secret smoking sessions.

As for me, I think that the Canadian people must remain free to smoke or not to smoke. We only want to encourage the public not to smoke and if they must do so, we urge them to run as little risk as possible. This is the underlying reason for our present education programme.

The effort made in order to solve the problem of cutting down the consumption of cigarettes must aim at protecting the public at large. And I think that such is the philosophy of the Department of National Health and Welfare in this field.

It is up to the government to protect Canadians and, particularly, to put them before the following fact: it is obvious that if a danger exists in a certain segment of society, it is the government's duty to protect the people.

Although it is obvious that the sale of cigarettes cannot be prohibited at the present time, it is equally obvious that the production, distribution and sale of cigarettes cannot be considered in the same perspective as production, distribution and sale of other products. It seems reasonable at this stage to use any practical measure to help phase out sales promotion. At the same time, plans must be made to help producers and other persons who will be adversely affected by the ban on the sale of cigarettes.

Increased education of the public, as a deterrent to smokers, would be desirable, as well as efforts to make cigarette smoking less dangerous for inveterate smokers.

It has been claimed that if cigarette smoking is harmful sale of the product should be completely prohibited and that otherwise it would be neither constitutional nor legal to interfere with sales promotion. However, plain common sense dictates that prohibiting the sale of cigarettes would not serve public interest. It must be admitted that cigarette smoking is in a class by itself among Canada's social and health problems. Society is therefore justified in seeking out unusual solutions and rejecting any argument based on technical considerations. It is clearly against the interest of society to promote actively the use of a harmful product, even though prohibition of its production and sale may be unacceptable.

Public opinion is becoming more vocal every day, pressing for practical action to reduce the health hazard resulting from the use of cigarettes by Canadians. This concern has been shown unequivocally with respect to cigarette advertising.

It has been argued ever so often that cigarette smoking is a matter of free choice on the part of reasonable adults. This is true inasmuch as a person is, in the final analysis, responsible for what he wants to do with his own body. It is also true, nevertheless, that if cigarette smoking has become such a generalized practice, it is due to the fact that it is habit-forming to a certain extent. In fact, we all know that a major proportion of cigarette sales is accounted for by the fact that cigarettes are sold to people who are unable to stop smoking. Apparently, there are various degrees of dependence which may be explained by reference to pharmacological, social and psychological factors. In any event, the cigarette habit appears in the case of many heavy smokers as eliminating any freedom of choice.

It should be mentioned that despite limited funds, Canadian programs on the effects of tobacco on health are expanding and that a great number of Canadians, convinced that cigarette smoking is a health hazard, strongly wish that measures be taken in that respect.

In concluding, Mr. Speaker, we must be logical and support the measures which society will take to solve the

problem. This is no doubt the best reason in favour of enacting legislation to control cigarette advertising. We could hardly expect, for instance, our youth to be convinced that governments think that the use of tobacco is really hazardous when at the same time they allow unrestricted advertising of cigarettes.

Furthermore, a great many smokers would like to break the habit or have resolved to quit. This is why we must do everything we can to encourage them and to make smoking which is part of modern society less attractive.

• (5:30 p.m.)

[*English*]

Mr. MacLean: Mr. Speaker, may I be permitted to ask the previous speaker a question? He quoted statistics which indicated that life expectancy is greatly reduced by the use of cigarettes. This is frequently done, but in general terms he referred to these figures as applying to the use of tobacco. My question is, do these statistics apply with equal force to persons who use tobacco in another form such as pipe or cigar smoking, or do they apply at all?

Mr. Isabelle: I had reference only to cigarette smokers.

Mr. Knowles (Winnipeg North Centre): Your pipe is O.K., Angus.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, the question of the use of tobacco, particularly cigarettes, has long been one of considerable controversy. I should like to indicate from the beginning that I support Bill C-14 presented by the hon. member. I was a member of the health committee which studied the usage of cigarettes and possible dangers to health and life. I was convinced, after listening to various knowledgeable witnesses from all aspects of Canadian life, that the usage of cigarettes is likely to do a great deal of harm to the individual.

I would be the first to admit that there is tremendous economic importance in tobacco, first to the producer such as my hon. friend the hon. member for Norfolk-Haldimand (Mr. Knowles). I mean it sincerely when I say he is my friend, but I do not know whether he will be when this day is over.

Mr. Knowles (Winnipeg North Centre): You will have one Knowles for a friend.

Mr. Yewchuk: I will have to disagree with his conclusions in respect of this debate. I have in my hand a brief which the Ontario Flue-cured Tobacco Growers' Marketing Board presented to our committee. They point out statistics in respect of some of the great advantages there are to our country through the income generated by tobacco production and distribution. They point out that in 1968, for example, $57 million in revenue was realized from the export of tobacco. They also point out that the government realized $703 million in taxes during 1968 from the sale of tobacco.

I do not quarrel with the suggestion that this is a large amount of money, and certainly anything that makes money for the country might be justified in the eyes of some. I also would not argue with the fact that there would be a loss from a damaged tobacco industry should a bill of this nature be passed. I would not argue with the fact that in Ontario 3,774 farmers might experience financial difficulty as the result of the passage of legislation such as this by the House of Commons.

Most people in the country realize that many Canadians depend on the production of tobacco for their livelihood. There is in this brief a picture of an area of the country that used to look like a desert, with little sand dunes all over the place, a barren territory with a horse and buggy rolling across and the wind blowing sand all over. In the picture below it there is a beautiful farm with tobacco fields and little huts standing in a row where the tobacco is cured. This is certainly nice, but I am not convinced by these arguments.

The tobacco industry is in effect saying that for the purpose of making a profit we are willing to sacrifice health and years of human life. When we consider this matter we must look at these statistics very seriously. There are many statistics available and many research studies that have been conducted in this area. I do not think there is any doubt that the usage of cigarettes is harmful to health. As a matter of fact, it has been worked out in detail to the point where we are told that every cigarette a smoker uses shortens his life by seven minutes. The average person using a package of cigarettes a day from age 25 stands to lose an average of 8 to 10 years of life expectancy.

The hon. member for Norfolk-Haldimand may know many people who are old and who have smoked all their lives. All I can say is that if they had lived to age 90 and smoked, they might have lived to age 120 had they not smoked. We also hear the argument that other things such as liquor are much worse than tobacco. Supporting this bill does not mean we are supporting the use of alcohol or saying that its use is less harmful than tobacco. Perhaps everyone would admit that the use of alcohol is very harmful and should be discouraged as much as possible, perhaps to an even greater extent than tobacco. We could also mention other substances such as bread, animal fats, cheese or any number of things; used in large quantities, they can have harmful side effects. It is well known that the use of animal fat in large quantities contributes very greatly to arteriosclerosis, coronary heart disease and those other things which are great killers in our nation today. At the same time, the fact that we are using these substances does not justify perpetuating the use of tobacco.

I should like to describe a patient I have in my care, Mr. Speaker. He is a man about 65 years of age who was a farmer. He had been using cigarettes to the extent of about a package a day for most of his adult life. About five years ago he began to complain about shortness of breath. When he ran after the cow he found she could outrun him because he was too short of breath.

An hon. Member: It was probably a young heifer.

Mr. Yewchuk: I suggest it was because the cow did not smoke and he did. In any event, his problem became much more severe. First of all I should point out that he had started to cough about 15 years prior to this time. He would get up in the morning and sound like one of those old steam engines that used to pull trains across the country. Something like the old Newfie "Bullet," he would chug along for an hour or two. Finally the bronchial tubes would be cleared of the yellow secretion and this would be deposited on the sidewalk or in some appropriate receptacle. Then he would be able to get going and put in his day. His shortness of breath and coughing became more persistent and severe to the point where about two years ago he required and received hospitalization for three or four weeks at a time. He would come in with a severe cough, producing large amounts of sputum and sometimes blood. He required medication.

• (5:40 p.m.)

An hon. Member: It is good for business.

Mr. Yewchuk: Yes, I suppose it is good for business. But of course that is not the primary concern of a physician. Then about a year ago the could not get on without the help of oxygen. He had to have it three or four times a day. This progressed to the point where he had to have oxygen almost continually. He lives at home with a tank of oxygen beside him. He has a mask on his face, his lips are blue and he can hardly speak a sentence without puffing. For the past few months he has required a machine to pump air into his lungs.

This is the picture of a man who is only a few weeks away from death. During the last three or four years he has been extremely uncomfortable. It has been a difficult situation for his family financially as well as emotionally. His family sits around and watches him slowly dying. I think this condition could have been completely avoided had the man not been a smoker.

As I have said, I do not deny that farmers, through no fault of their own and through no desire to produce injury to people, fell into tobacco farming. I do not believe, however, that this is any justification for continuing the promotion or usage of such a harmful substance. I believe the goverment now has an obligation to institute some kind of research in an effort to find alternative methods by which tobacco farmers may earn an equally good living. I believe research in this area is lacking. Much more effort is required in order to bring about some kind of a solution.

As has been suggested, people who have the smoking habit should be discouraged in respect of the use to tobacco through education programs among the youth and also among adults. It might be desirable to encourage people to develop other habits. Some people might suggest smoking hashish. It would seem that the federal goverment is promoting the replacement of tobacco by the use of marijuana. I do not believe I would approve of this because there is no research which indicates that marijuana will not produce the same harmful effects to the lungs of people. It might well produce emphysema, bronchitis and all the other illnesses and diseases about which hon. members have spoken.

I am receiving many suggestions but I do not think I should repeat some of them. One member said there are in the order of 60,000 deaths in Canada per year because of tobacco usage. This would seem to indicate a tremendously serious problem. We cannot afford to lose 60,000 people because of failure to act in an area which is entirely preventable.

I suggest that an alternative use might be found for the product of the tobacco producers and manufacturers and that alternatives might be found for people who smoke tobacco, such as scratching their heads or twiddling their thumbs. I do not know, however, how enjoyable or satisfying this would be. I believe that about a year ago the CBC ceased tobacco advertising on television. At that time there seemed to be an outcry to the effect that a tremendous amount of revenue would be lost. I do not believe this revenue has been lost, because the CBC has found alternative advertising. If this could be done in respect of the CBC, then surely it could be done just as well in respect of the farmers, manufacturers and distributors of tobacco.

I do not wish to talk out this bill, because I support it. I would point out one interesting fact about my hon. friend who spoke against this bill. He does not use cigarettes; he only smokes cigars. Research would seem to indicate that cigars do not produce the same amount of cancer, bronchitis, emphysema, and so on, that cigarettes do. Someone might ask whether these other substances are less harmful. As I believe was shown by the witnesses who appeared before our committee last year, it is not merely a question of whether or not one uses cigarettes, because there are many other factors which come into play. One is the question of whether or not a person inhales. It would appear that people who start smoking cigars from the beginning do not necessarily develop the habit of inhaling as much as do those who smoke cigarettes. From the research available now, there would seem to be fewer cases of pulmonary disease and lung cancer among cigar and pipe smokers.

However, in respect of persons who formerly had been cigarette smokers and switched to cigars or a pipe, it does not make much difference because virtually all cigarette smokers inhale every puff and generally speaking when they switch to cigars or a pipe they continue to inhale. Therefore, switching in itself does not make too much difference. So far as chewing tobacco and taking snuff are concerned, I do not believe there has been sufficient study in respect of these products to reach any very conclusive opinion. I believe the incidence of pulmonary disease would be reduced with the usage of these two products because they are not inhaled and, therefore, the nicotine and hot gas is not taken down the throat. There has been some suggestion that the use of these products could lead to cancer of the mouth and throat, and so on, so I do not believe they really are substitutes.

In conclusion, I reiterate that I am merely putting the facts before the House as I see them, and I am not

choosing sides. I agree with the hon. member for Hull (Mr. Isabelle) who said that people must make up their own minds and all we can do is make them aware of the possible dangers as well as the advantages, if any.

Mr. Steven Otto (York East): Mr. Speaker, this afternoon we have had a very severe condemnation of cigarettes and whisky, which leaves but one other and that is wild, wild women. I have no intention of condemning the vice, or whatever it is called, of wild, wild women. In respect of the bill presented by the hon. member for Lakeshore (Mr. Robinson), who is a very good friend of mine, I want to say the intent is good. I shall play the devil's advocate this afternoon and ask whether the bill and the remedies proposed would do any good.

• (5:50 p.m.)

First, the hon. member said there is irrefutable evidence that cigarettes produce lung cancer, emphysema, and so on. I, too, was a member of the committee and I will bring to the attention of hon. members the evidence presented by Dr. Hans Selye. He said that the greatest contributing factor to all these diseases, and especially to cancer, is stress. I asked him: "Dr. Selye, how would you recognize a man who is constantly living under undue stress? Does he chew nails?" Dr. Selye agreed he would chew nails. I asked: "Would he have a nervous tic?" Dr. Selye agreed he would. Then I asked: "But what is the most common symptom of stress?" I was told that cigarette smoking was the most common symptom; it is evidence of a man under undue stress. The question then arises: Is it the cigarette that kills the man, or is it stress? Smoking cigarettes is evidence that the man is under stress.

Mr. Yewchuk: It is cigarette smoking that causes stress.

Mr. Otto: Babies have colic. Babies drink milk. Therefore, milk produces colic. This is the same type of argument. I am not sure that it is indeed cigarette smoking or the use of the pipe or tobacco that does this harm. I think it is evidence of the fact that there is stress. I accept Dr. Selye's evidence, a man who is well known throughout the world for his studies in this field.

Before I rose to speak, the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Isabelle) gave me several sheets of paper and said, "Here is your speech". He knows better than that. The introduction reads, "Mr. Speaker", I will go that far. The rest indicates that certain studies are being followed by the department. I am glad to see they are not so much on what sort of diseases might be caused by cigarette smoking but are, rather, on how to give up smoking.

This is the issue I wish to raise this afternoon. The bill points out how we should go about this. It recommends that there be a warning that cigarette smoking is a health hazard, in the form of a skull and crossbones. If you were an entrepreneur, what brand of cigarettes would you come up with? I know what I would do; I would come up with a skull and crossbones brand. One could not have anything better; every package would have your advertisement on it.

Then there is this business of whether or not cigarettes are a health hazard. I would remind the hon. member for Lakeshore that some time ago the Ontario government passed a bill in connection with the used car business. The bill stated that every car sold from a used car lot had to have a certificate stating whether or not it was roadworthy. In other words, if you sell a car you have to issue a certificate stating whether or not the car is roadworthy. Since that time every certificate for every car sold has contained the statement, in half-inch letters, that the car is or is not roadworthy. Nevertheless, everyone is buying these cars; it has not seemed to affect sales.

It is a curious quirk of human nature that although everyone knows that cigarettes are bad for them and that they might kill people, people do not apply this knowledge to themselves. It only seems to apply to others. This is the saving grace of mankind. One believes it is only dangerous to the health of others. Having said what I have said, I cannot believe that cigarettes are good. No one can convince me that the inhalation of smoke is harmless, because it must have some ill effects.

The question, then, is: How are we going to stop the use of cigarettes, or how are we going to stop their promotion? In so far as the report of the committee went, it was good, presuming that people behave like angels. But the truth is that people are not angels; we are human beings subject to all sorts of pressures and all sorts of promotional gimmicks. If you stop advertising on radio and television, there will be a switch to newspapers and magazines. If you stop that, there will be promotion of car racing, skiing, and so on. If you stop that, there will be contests with lots of nice prizes. If you stop that, there will be something else.

The only way is to hit the businessman, the promoter or manufacturer of cigarettes where it hurts. I have recommended this to the government several times. It is not fair that we should all pay half the advertising costs. The manufacturer of cigarettes writes off all his advertising and promotional expenses against his profits. In other words, 50 per cent is paid by the government. It is very simple to stop that. All the Minister of Finance (Mr. Benson) has to do is say that from this day onward advertising and promotion of cigarettes will not be a deductible expense. That would do away with all this nonsense. If people want to advertise cigarettes, let them do so out of their own pocket.

I am a great believer in the power of the purse in so far as consumers are concerned. There is no easier way than to raise taxes on cigarettes, nor is anything justifiable. One dollar for a package of cigarettes would not be unjustifiable. If you want to smoke cigarettes, pay $1 a package. If that is not enough, pay $1.50. This is a workable process. Nothing would compel a man to break away from the habit more than the pocket-book telling him of the many things he could buy with the money even if it were whisky.

Mr. Knowles (Winnipeg North Centre): What are you advertising?

Mr. Otto: I am not advertising the abolition of either cigarettes or whisky, but I am saying that the bill makes

good sense. This is a product which should be available if people really want it. It is not a product which should be advertised as being good for you. All the advertising and promotion say that indirectly.

The Acting Speaker (Mr. Laniel): Order, please. The hour appointed for the consideration of private members' business having expired, I do now leave the chair until eight p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

ANTI-DUMPING ACT

AMENDMENT RESPECTING TRIBUNAL, INQUIRIES, REPORT, ETC.

The House resumed consideration of the motion of Mr. Drury (for Mr. Benson) that Bill S-6, to amend the Anti-dumping Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Max Saltsman (Waterloo): Mr. Speaker, it is little more than a year since we debated a bill on anti-dumping matters following very extensive examination resulting from a white paper on the subject. Some people might be inclined to be critical of the fact that having gone through the white paper process and having voted on and dealt with a bill on this subject, we see after such a short interval a new bill introduced proposing amendments to the previous legislation. However, I am inclined to think it is rather a good thing that the government is moving so quickly.

The subject is a complicated one. It is obvious that certain things have occurred since the previous legislation was passed that give rise to some of the proposed amendments. Based on my examination of the bill, I believe there are two main items in it. There are some cleaning-up items and two major changes, both of which I think are satisfactory.

We will have a greater opportunity in the Standing Committee to look at the proposed changes, but for the moment I believe the proposal to provide for an inquiry initiated by the Governor in Council is an important one. Very often some of the people who may wish to initiate an inquiry are involved in rather delicate negotiations with various governments with regard to concessional financing, and thus might find it difficult to initiate an inquiry. Proposed new section 16A would seem to give the Governor in Council power to call such an inquiry on examination of a certain situation that might be brought to its attention, or that might arise in connection with another investigation conducted by it. It is worth while to have this kind of power enshrined in legislation and at the moment I am inclined to support it.

The second important matter concerns confidential evidence. In committee we took the position that we could not find much reason why so much of the evidence had to be confidential. We are still inclined to wonder about the degree of secrecy that surrounds many inquiries and many business dealings in this country. However, our view did not prevail and the restriction with respect to confidentiality was written into the legislation. Now it appears that there are some loopholes with respect to confidential evidence, depending on how evidence is given to the tribunal. The provisions of clauses 6 and 7 seem to be an attempt to make sure that at least the principle of confidentiality is preserved, regardless of how evidence is given to or obtained by the tribunal. Mr. Speaker, we are prepared to see the bill go to committee for further examination.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

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FARM IMPROVEMENT, SMALL BUSINESSES AND FISHERIES IMPROVEMENT LOANS ACTS

AMENDMENT PROVIDING ADDITIONAL THREE-YEAR LOAN PERIOD

Hon. Jack Davis (for Minister of Finance) moved that Bill C-191, to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, Bill C-191 proposes amendments to the Farm Improvement Loans Act, the Fisheries Improvement Loans Act and the Small Businesses Loans Act. These acts, which are well known to hon. members, enable the Minister of Finance (Mr. Benson) to guarantee term loans made by the chartered banks and other designated financial institutions to farmers, fishermen and small businessmen to finance a wide variety of capital improvement projects in connection with their business enterprises. Under the existing provisions of each act, these programs will expire on June 30 of next year and the main purpose of Bill C-191 is to provide for the continuation of these programs for a further three years to June 30, 1974.

• (8:10 p.m.)

Before discussing the provisions of this bill, I would like to comment on each program. The Farm Improvement Loans Act was implemented in 1944, initially for a three-year period. It has been amended on numerous occasions to add new lending periods and to enlarge the benefits available to farmers qualifying under the act. Presently, farmers may borrow up to $15,000 to help finance the acquisition of farm implements, buildings,

equipment or livestock and to repair or improve assets which are used in their farming enterprises. In addition, farmers may borrow up to $15,000 for the purchase of additional land. This purpose, which was included in the act in 1968, allows farmers to purchase small parcels of land to round out an existing farm unit. Both of these limits are subject to an over-all maximum of $25,000 which a farmer may have outstanding at any one time for all loan purposes.

The maximum period over which repayment may be spread varies with the purpose for which the loan was obtained and ranges from three years in the case of trucks to 15 years in the case of land purchase loans. That the Farm Improvement Loans Act has played a crucial role in the financing of Canadian agriculture is evidenced by the fact that over $2 billion has been loaned during the quarter century of operations under the act. Lending reached a peak in 1966 and during 1969, the last full year of operations, approximately $142 million were loaned under the Farm Improvement Loans Act. Claims paid under this program have been remarkably low and amount to just over one-tenth of one per cent of the face value of loans made.

The Fisheries Improvement Loans Act came into effect in 1955, also for an initial three-year period, and has subsequently been expanded and amended from time to time. Under the current provisions of the act, fishermen may borrow up to $25,000 to help finance the purchase, construction or repair of fishing vessels and equipment. The development of shore installations and equipment which are a necessary part of a fishing enterprise is also an eligible loan purpose. Borrowers may take up to ten years to repay most loans, although in the case of loans for certain purposes the maximum repayment period is shorter, more closely approximating the useful life of the asset being acquired. Lending under this program occurred at relatively low levels for several years. More recently, however, there has been a notable increase. In the year ending March 31, 1970, fisheries improvement loans reached a peak and amounted to $2.6 million. Claims have been very low under this program, totalling only $13,400 since inception.

The Small Businesses Loans Act came into effect in early 1961 for a three-year period. This legislation provides for loans of up to $25,000 to assist small businessmen in financing improvements in their business enterprises. In order to qualify, an enterprise must have gross revenues of less than $500,000 and must be engaged in one of the following forms of business activity—manufacturing, retail or wholesale trade, provision of services, construction, transportation or communications. Loans may be used to assist in acquiring fixed or movable equipment or for the purchase, construction or renovation of business premises. Since inception, more than $200 million has been made available to small businesses under the provisions of this legislation. Lending in recent years has been below the peak levels reached in 1964 and 1965 and amounted to $16 million in 1969. Losses under this legislation have also been small—less than one-half of one per cent of the total value of loans made.

[Mr. Mahoney.]

A number of general provisions apply in connection with loans made under each of the programs. Borrowers are required to pledge security for loans, generally by way of a charge on the assets acquired with the loan and by giving a promissory note. In certain circumstances, additional security may be required by the lender. Potential borrowers must also be prepared to make a minimum investment of their own in the project for which they seek a loan. There is also a maximum rate of interest which lenders may charge on loans. Until the recent past, the maximum rate of interest which could be charged on loans was fixed either by statute or regulation at 5 per cent for farm improvement loans and fisheries improvement loans, and 5½ per cent in the case of business improvement loans. These rates came to be increasingly unrealistic in view of the upward trend in the general level of interest rates, with the result that lenders found it difficult to make loans under these programs.

Changes have been approved whereby maximum interest rates are now determined semi-annually on April 1 and October 1 of each year. The rates are based on the average yields of selected government of Canada bonds over a six-month period to which is added a margin of 1 per cent. The maximum rate which can be charged during the period which commenced on October 1 of this year is 8 per cent for loans made under the Small Businesses Loans Act, the Fisheries Improvement Loans Act and the Farm Improvement Loans Act for all loan purposes except the purchase of additional land. The maximum rate for land purchase loans, currently 8½ per cent, is determined by a slightly different formula designed to reflect the longer time that may be taken to repay these loans.

As I indicated earlier, the essential purpose of Bill C-191 is to provide for a continuation of these lending programs for a three-year period beyond June 30, 1971. An amendment is proposed, therefore, to add to each act a new three-year lending period to extend to June 30, 1974.

The bill also establishes the aggregate principal amount of guaranteed loans which may be made by all lenders in the new lending periods. For the Farm Improvement Loans Act it is proposed that the maximum be set at the same level which is in effect during the current three-year lending period. The proposed ceiling is $900 million in respect of loans made by the chartered banks and $300 million for loans made by all other designated lenders. The guaranteed loan amounts in the current lending period for the Fisheries Improvement Loans Act—July 1, 1970, to June 30, 1971—are $10 million for the chartered banks and $10 million for other lenders. It is proposed to double the amount for the chartered banks to $20 million but leave unchanged the limit in respect of other lenders. The increase for the banks is proposed in response to the growth in their lending which has occurred in the past four years.

The current lending period under the Small Businesses Loans Act extends from January 1, 1970, to June 30, 1971, and the limitation on the aggregate principal amount of guaranteed loans which may be made is $100

million and $50 million for chartered banks and other lenders respectively. For the new period, these ceilings will be doubled to $200 million and $100 million, reflecting the fact that the new period will be three years whereas the current period is a year and one-half.

In closing, Mr. Speaker, I wish to emphasize that these measures have been instrumental in the provision of intermediate and longer term loan funds for farmers, fishermen and small businessmen. The government bel eves that the continuation of these programs for a further three-year period is desirable and should significantly contribute to increased economic expansion and efficiency on the part of the borrowers.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, we in the official opposition propose to put up a number of speakers to deal with each of the subjects covered by this bill—the agricultural community, small business and the fishermen. For my part, Mr. Speaker, I would like to confine my remarks to agricultural loans. One could not help but follow with interest the history of loans to the agribusiness as outlined by the previous speaker. He traced the loans program from its origin through to the present day, ending with the proposed amendment to extend it for yet another three years.

Mr. Speaker, the original intent of this legislation was to make guaranteed loans available to the farming community at a low, fixed rate of interest in order that the industry could expand. The loans were to be used to encourage the renovation of farms being purchased by veterans and young men entering the agricultural industry and to amalgamate small units into larger, more viable ones. The money was used also in an attempt by the farming industry to improve and modernize production methods so that Canadian farmers could successfully vie with their competitors.

• (8:20 p.m.)

The previous speaker said that the success of the program is indicated by the fact that during the past 20 or 25 years approximately $2 billion were borrowed by people in the business of farming. The government is now limiting the aggragate of all such loans to $1,200 million. But I think the greatest indication of what is happening is the fact that these loans are falling off. The previous speaker indicated that farming people during the last 12 months borrowed approximately $145 million.

This shows, I think, that a very serious change in attitude is taking place in the agribusiness with regard to the help proferred by the government. These loans are no longer the tools in the hands of farmers that they were some years ago, and for two reasons. The first and basic reason is that no longer do the basic qualifications as laid down originally tell a man whether or not he is eligible for a loan. Very often a man does not know whether or not he may procure a loan. Not long ago, when farmers approached the authorized lending institutions they found to their amazement that no matter whether they qualified for a loan or not, they could not obtain one. The excuse given was that if the lending institutions were to lend money to sectors other than the agribusiness, a higher rate of interest could be procured.

Many farmers who went to lending institutions expecting to borrow money at 5 per cent, the rate of interest prescribed by law for farm improvement and similar loans, were told that the money was not available but that if they wished to take out a bank loan at a higher rate of interest, it would be forthcoming. That was said even though they might have qualified for a lower-cost loan under government regulations. It was found that the money just was not available.

Not until the government in its wisdom took off the 5 per cent interest ceiling and allowed the rates charged on these loans to be comparable with other lending rates did the money once more flow into the farming industry. This action, however, destroyed one of the main reasons why farmers had utilized these low-cost loans to such a great extent. They had been able to obtain money at lower rates of interests than those prevailing in the market, and that advantage disappeared.

There is another reason why the number of loans made and the desire for loans is dwindling. This reason has important and tragic consequences for the farming community. The experience of farmers, especially in the last two years, has been that government departments are at odds one with another in the policy being put forward with respect to the agricultural industry. Farmers who with great confidence borrowed sums of money to extend their holdings, improve their equipment and develop more viable farms, found to their dismay and alarm that the government had entered into policies which made it impossible for them to repay these loans.

Men who borrowed money to build a more competitive dairy farm found that government policy was designed to curtail the production of dairy commodities in Canada. Men who borrowed money to extend their production of primary produce found, suddenly, that the government had either withdrawn its subsidy on certain commodities or had curtailed them to such a degree as to lower profit margins or eliminate them entirely. Therefore, it is not surprising that farmers do not wish to borrow.

I think one of the greatest indications of the manner in which the agricultural community has reacted to the benevolence of the government is this. The increase in the estimated value of the capital assets of agriculture in Canada over the past 15 years has been almost identical to total borrowings, under the provisions of these laws, from government-authorized sources. In other words, Mr. Speaker, farmers have learned the hard way that borrowing this money does not solve their problems in the main. With dwindling profit margins and with the prospect of government policies that seem directed exclusively at the concept of supply management and production controls, no farmer today can confidently predict what will be produced even three years hence, let alone whether he will be allowed to produce certain commodities. In these circumstances, unfortunate though they may

be, farmers are not encouraged to take advantage of these loans.

I am not surprised that the government is extending the program for three years. We in this party support these amendments but we do not feel confident that they will solve the difficulties of farmers. These loans are a vehicle of last resort for farmers who believe that by obtaining this sort of addition to their working capital they will correct some of the economic deficits which will face them in the future. It is not with any confidence that we approach the amendments, but it is with a sense of foreboding because we know full well that they will not solve the difficulties of our agricultural community. Of course, that is a matter of opinion. The allocation of more debt money for the Canadian agricultural community, which apparently is destined to face a rocky future in the years immediately ahead, leads one to believe that agriculture today in Canada has much to fear.

Mr. John Burton (Regina East): Mr. Speaker, as has been noted, the bill before us amends the Small Businesses Loans Act, the Farm Improvement Loans Act and the Fisheries Improvement Loans Act. It extends the term of their operations for another three years and also extends the limits of the guarantees set out in the legislation. Other members of the New Democratic Party will be dealing with this bill in terms of its specific application to the agricultural and fishing industries in particular. There are a number of general comments that I should like to make about this legislation, which I feel are very relevant at this time, as we consider the bill at second reading stage.

I think it may be fairly noted, Mr. Speaker, that the scope of this legislation is such that it is designed to provide services to a group of people within the Canadian economy who might be termed as the independent people in the economy. For the most part, those people are declining in numbers; there is a smaller and smaller number of them each year. I think some important decisions will have to be made by Canada in the near future with respect to the people who are engaged in farming, fishing and small businesses.

• (8:30 p.m.)

We have to consider the future of these people, the services they require and the production they carry out at the present time in the sectors of the economy for which they are responsible. The bill before us may appear to be innocuous in many respects. It may appear mechanical and somewhat automatic in that it simply changes a few dates and makes a few other very minor changes. If we examine this bill we will see that this is not so. I suggest that it implies a continuation of policies which are now in effect, or the absence of policies as they apply to farmers, fishermen and small businessmen.

In many respects these policies or lack of policies have not worked in terms of serving the well-being and welfare of these groups within the economy, because there has been a constant drain of people from these various sectors, a drain which has not been a rational sort of movement or adjustment; it has occurred in a very irrational, haphazard way. This movement and adjustment is being made in the most painful possible way. This adjustment involves hardship and suffering for many thousands of Canadians in various parts of Canada. This particular economic sector involves continuing depressed conditions in many areas.

Many people who earn their living in occupations such as farming, fishing and small business are faced with depressed conditions. In many instances they earn below average incomes. The people engaged in these forms of livelihood often form the core of poverty problems in many areas of Canada. Each of these economic sectors is faced with problems. Small businesses are often faced with a capital shortage and difficulty in competing with large corporate enterprises. Very often there are institutional problems involving restrictions on the types of products that can be handled, services that can be provided and arrangements with distributors. There is a great deal of difficulty when small businessmen try to provide the type of service they want to provide the customers they serve.

Farmers are faced with a chronic situation involving low prices. A variety of market problems have plagued agriculture in Canada for many years. Many farmers are not only faced with competition in the market, but with competition from governments in other countries in terms of subsidies provided to agriculture in other parts of the world. There is a considerable lack of similar support to farmers in this country. Fishermen have a variety of problems involving prices and markets as well as the current problem of pollution.

All of the groups we are considering this evening are faced with problems involving technology and its influence on our society. Technology is forcing change and adjustment in the world. It is not a question of whether we are going to change, but of how this change is going to take place. What is going to happen? What sort of change will finally result? What will be the end result of the adjustments that are going to take place?

These changes can take place in two different ways. They can take place in an unplanned, destructive and insensitive manner which ignores human needs, community problems and other needs of the Canadian society. On the other hand, these changes can be effected through planning which considers human, social needs and the needs of communities throughout Canada. It involves a determination of objectives, a determination of what we want to do, how we want the various sectors of economy to develop and what role they are to fulfil in Canadian society.

What has the government done with respect to the programs within the scope of this bill? They have charged the borrower, whether he is a farmer, fisherman or small businessman, the current market rate of interest. The current market rate of interest has developed within the restricted market framework. In other words, we have influence on the marketplace because of the limited sources of capital available for borrowing purposes in

terms of the sources of this capital. When the farmers, fishermen and small businessmen try to sell their produce or services they are left at the mercy of a market system that no longer operates on a competitive basis.

These groups of people operate within a framework which does not enable them to compete effectively and equally with other sectors of the Canadian economy. This is the basis upon which many thousands of Canadians must attempt to earn their livelihood. Credit programs alone will not solve the problems faced by the various groups. Past experience has proven that credit programs, however valuable and important a role they play—and no one would underrate or underestimate the importance of capital as a tool in effecting adjustment and in equipping these various groups to make a more effective contribution to the economy—have not done the job.

To be effective, programs must be complemented by other programs. This requires a comprehensive program involving the adoption of planning—not a form of planning imposed from the top down but planning which involves people and communities in determining their future. They must be equipped with the necessary resources to reach their objectives and the role in life which they desire. We must take a close look at our communities. What type of communities do we want in the future? Many thousands of communities in Canada rely on farming, fishing and small businessmen in order to remain viable. The future of many of these communities is threatened at the present time. The people do not know what is going to happen to their community in the future. The outlook is uncertain because of the concern in many parts of Canada due to the absence of government programs.

We have to develop rational structures in the various economic sectors with which we are concerned tonight, structures which consider the needs of people and communities. I can give a number of examples regarding my own province of Saskatchewan, with which I am most familiar, which require consideration. We must examine this legislation and other complementary programs that need to be developed if this legislation is to perform a useful and effective function. Many people living in the urban areas of Saskatchewan earn their living through some form of small commercial enterprise such as a general store, grocery store, farm implement agency, garage or service station. Many of these businesses are threatened. The people do not know what will exist in the future. They do not know what will happen to their community. A variety of public and government services are being withdrawn from their communities—railway station agents, post offices and a consolidation program anticipated by some elevator companies. These businessmen feel insecure. They are naturally concerned about what is likely to happen to them.

• (8:40 p.m.)

If this legislation is to serve a useful role it must be complemented by other programs which will further help small businessmen, farmers and fishermen whose interests this bill is intended to serve. In my own province of Saskatchewan many small businessmen feel most uncertain about their future. One reason for this is the lack of any effective form of community planning which takes into account the needs of those who make their living in the community and the kind of services they require. I realize that this calls for provincial legislation as well, but I contend that more effective controls should be applied to private industries and corporations to provide some services to the small communities I have in mind.

Let me give one example of what I mean. At present many small farm implement dealers throughout western Canada are being forced to the wall. For a variety of reasons they cannot continue to operate. The fact is they can carry only one line of machinery; in order to do business they are obliged to take out a franchise and this limits them to carrying one particular line of machinery. In today's world, this is not good enough. The system does not meet the needs of communities I have in mind. Hundreds of small communities in the rural areas are without the service of a farm machinery dealer because of the conditions laid down by the industry in line with its own business and competitive situation. Many of the farmers cannot obtain adequate service; they cannot buy the new farm machinery they require through a local dealer; they cannot obtain necessary parts and other services needed to carry on operations.

I could go on to deal at greater length with the situation of farmers and fishermen who I believe to be facing serious problems, but I do not intend to go into detail since some of my hon. friends will be dealing with further aspects of the subject. Certain decisions need to be made by Canadians with respect to the independent sector of the economy. In my view, governments must become more closely involved and a comprehensive program is needed, including community planning, industrial planning and, most important, planning oriented toward the needs of people, designed to ensure that they have an adequate opportunity to earn a decent livelihood. We cannot support the approach suggested by the task force on agriculture which, in effect, urges the government to get out of agriculture to the greatest possible extent.

The government must decide whether it wants small businessmen, farmers and fishermen to continue to operate. If it decides in the affirmative, commitments must be made to set up programs to deal with their needs. This means a change in the attitude of the people whom we call small businessmen, farmers and fishermen. There must be greater receptivity to the prospect of change. At the same time, I wish to make it clear that I do not blame many of these people for resisting some of the proposals for change which have been made up to now, because they have been most inadequate; they have failed to deal with the problems affecting these people.

Many small businessmen, farmers and fishermen have in the past taken what they call an independent outlook. They have even espoused a free enterprise attitude in the past. However, many have found through experience, sometimes bitter experience, that it is in their best interests to work together and apply the principle of co-operation rather than the principle of competition as embodied in the "dog eat dog" philosophy in which they were trained. As I say, public programs are needed, not pro-

grams which are foisted on people from the top or from government offices but programs which are worked out in conjunction with the people directly concerned. It is only through such a process that we can make the democratic system work; it is only through such a process that we can find solutions to some of the problems facing the Canadian society.

I hope that as we deal with this bill the government will give serious consideration to the needs of these groups of people. I hope we shall not be content with this small step simply extending the life of the three acts we are considering tonight in this one, omnibus measure but that those who sit on the treasury benches will develop further programs reflecting a new approach to these sectors of Canadian society. If such an approach, based on close involvement, is not adopted, I am sure the measure before us will not accomplish much in the long run to further the interests of those it is designed to help.

• (8:50 p.m.)

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, my speech will not be long; however, I wish to say a few words on Bill C-191, entitled "An Act to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act".

Nothing much is new in this legislation except that a limit is set on the total amount provided for loans, as shown in the explanatory notes, and I quote:

> This amendment would provide for an additional three year loan period from July 1, 1971 to June 30, 1974 during which guaranteed farm improvement loans may be made.
>
> This amendment would provide that the aggregate principal amount of guaranteed farm improvement loans that may be made during the loan period ending on June 30, 1974 shall not exceed $900 million for all chartered banks and $300 million for all other lenders.

The last time the government requested the continuation of this legislation, I expressed my opinion on the loans granted for farm improvements and to small businesses. Yet farmers are still experiencing the same difficulties as before when they want to secure these loans. It seems that the government enacts legislation without asking itself whether it will benefit the interested people.

I believe that the Farm Improvement Loans Act belong to that kind of legislation at least as concerns our area. At first, when considering this legislation, we were anxious to see the results it would have among the farmers.

Seven or eight years later, in Quebec, and mainly in the Roberval area, we fail to see what good it did. It could have had many beneficial results if the government had agreed to listen to our advice and had increased somewhat the advantages offered to the farmers.

The problem in my region is first to get a loan. In fact, as I have often said to the inspectors in my region: "I believe you are paid by the federal government to refuse loans and not to grant them." Everything was done to refuse a loan to a farmer who needed it. All kinds of difficulties were raised and, in certain cases, I have heard good farmers being told by the inspectors that it was better for them to leave their farm and settle in the city rather than ask for loans.

I am not strongly in favour of loans. The more is lent to the farmers, the more they are forced to get into debt and the more they face bankruptcy. As an old farmer used to say: "With all those loans and never any direct help or protection, this is what happens. Thirty years ago I had a lot of money in the bank when I used horses to farm my land." Today, on the same farm and with the sane number of hands, we still work about 15 or 16 hours a day. Unfortunately, my three pieces of land are mortgaged and all I will bequeath to my children will be a heap of mortgages.

When all is said and done, what does the government do? They are not the lenders, but they do encourage banks and other lenders to grant loans to our farmers who get deeper and deeper into debt. Most important of all, chartered banks must not lose a cent. As for the farmer, he often has to give up his land. Many of them lost everthing but the chartered banks never lose a single cent because the government protects them.

It is difficult to have loans accepted. Inspectors are too strict and not familiar with our area. We see all kinds of nonsense. A loan was even refused because the road leading to the farmer's home was gravelled.

That is why I already quoted figures on loans granted in the western provinces and in Quebec. Everybody was astounded: 2,000 loans are granted in western Canada, only 100 or 150 in Quebec. You have the proof there of the strictness of inspectors and of the small number of loans granted in Quebec.

The second problem relates to interest rates. They will go up to 8½ per cent. Given the rates at which banks lend money nowadays, we shall still face the same problem: banks are not interested at all in lending at a rate of 8 or 8½ per cent while they can grant loans elsewhere at the rate of 11 or 12 per cent.

That is why bank doors are closed to farmers and nobody can blame them. Bankers are justified in not lending to farmers when they can lend the same money at a rate of 9, 9½, 10, 10½ and 11 per cent. As I always said, the law fails in that when the government determines a fixed interest to absorb the surplus payable by the farmer to have his application accepted, it should also agree to pay a discount.

You did not fail to notice the jump in number of federal loans granted in Quebec when the province decided to pay a discount as high as 3 per cent.

If the government seriously intends its loans to be of assistance to farmers with an interest rate of 8 or 8½ per cent when banks can lend at least at 11 per cent, it should be prepared to pay a 3 per cent discount or to refund this same amount to the banks or to the various lenders. Bankers would then be quite willing and ready to lend to farmers who, in turn, could acquire necessary farm implements and land.

With respect to farm machinery, we repeatedly asked the government to grant some assistance to the farmers,

because it was the purchase of such machinery which drove them into debt. As a matter of fact, this machinery costs twice as much as it should, and the farmer pays a third time for it in the form of interest. This is why today he has a mortgage on his land. Governments have never done anything to help him.

If the government will not freeze the price of farm machinery, it should at least assist farmers with grants. On the other hand, if it wants to protect the major manufacturers of farm machinery, let it grant them a 20, 25 or 30 per cent subsidy on their production costs. This would compensate the farmer, who would not be facing bankruptcy today because of the cost of his machinery, and especially because he had to pay three times their price before owing them.

I wonder how many times we have made such a request. I am at it again tonight. We will be considering this bill and I hope the government will improve on it in such a way that farm loans will benefit farmers rather than banks and other lenders. The government could allow a discount or better still grant direct financial assistance for that purpose.

Where loans to small businesses are concerned, the problem is somewhat the same. In this respect, it has been said that according to the amending bill a further three-year period will be allowed for the granting of loans. Indeed, the explanatory notes included in the bill read as follows:

—the aggregate principal amount of guaranteed farm improvement loans that may be made during the loan period ending June 30, 1974 shall not exceed $200 milion for all chartered banks and $100 million for all other lenders.

A few loans have been granted to small businesses. The chartered banks keep their doors well closed because such loans are still more hazardous.

I could say the same about the Farm Improvement Loans Act. Because of the various interest rates the banks are absolutely not interested.

I hope that the government will have the opportunity to introduce amendments to this bill and to see to it once and for all that the people for whom those acts are enacted get more out of them.

• (9:00 p.m.)

[*English*]

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, Bill C-191 is an omnibus bill which seeks to amend the Farm Improvement Loans Act, the Small Business Loans Act and the Fisheries Improvement Loans Act. While I have great interest in the development of our agricultural community and the small business community, I intend to deal only briefly tonight with the section of the bill which seeks to amend the Fisheries Improvement Loans Act.

This bill calls for the repeal of certain sections of the act. The first amendment would combine the two existing loan periods into one loan period in order to fully utilize the entire $20 million aggregate amount presently available for these two periods. The second amendment would provide for an additional three-year loan period from July 1, 1971, to June 30, 1974, during which guaranteed fisheries improvement loans may be made. It further provides that the aggregate principal amount of the guaranteed fisheries improvement loans which may be made in the new loan period shall not exceed $20 million for all chartered banks and $10 million for all other lenders.

I think it is important to remember that the Fisheries Improvement Loans Act came into force in December, 1955, for a period of three years and as a result of amendments from time to time thereafter the lending period was extended and the bill before us extends the act until June 30, 1974. It is my understanding that the intent of the legislation originally was the extension of term credit to fishermen for a variety of fishing improvement projects.

The maximum amount which may be borrowed by an individual fisherman is $25,000 and the terms of repayment are arranged so as to take account of the borrower's particular circumstances and other relevant factors, subject to the maximum term of repayment of 10 years. Maximum interest rates applicable in the year under review were 7¾ per cent from April 1, 1969, to September 30, 1969, and 8½ per cent from October 1, 1969, to March 31, 1970. Loans must be secured, and a borrower is required to provide a reasonable portion of the cost of a purchase or project from his own resources.

A quick look at the annual report tabled for the year ending March 31, 1970, will show that fishermen since the inception of the act have not been falling over one another in order to avail themselves of the benefits provided by this legislation. In fact, from December 12, 1955, to March 31, 1970, only 3,148 loans amounting to $9,851,296 were made. The amount of losses which had to be paid by the government as a result of the guarantees in this act amounted to $13,400. Nothing could indicate more clearly to anyone the integrity of Canada's fishermen. It is to their credit that the government of this country, over a period of 15 years of loans totalling almost $10 million, was only required to pay something in the order of $13,000 in losses. I point out to you, Sir, there are very few people as a group who enjoy such an enviable credit rating.

It is also interesting to examine the number of loans and the provinces in which they were made. I shall not quote all the figures because other members of our party may wish to participate in this debate. However, it is worth while to note that since the inception of the act 15 years ago, the following loans were made in the various provinces. These are totals covering a period of 15 years. British Columbia, 1,118; Alberta, none; Saskatchewan, 1; Manitoba, 9; Ontario, 63; Quebec, 127; New Brunswick, 175; Nova Scotia, 711; Prince Edward Island, 924 and Newfoundland, 20, for a total of 3,148 loans.

From these figures it can be clearly seen that in British Columbia the total loans amounted to more than half the loans made in the four Atlantic provinces. I hold no brief for the fact that British Columbia fishermen obviously made greater use of the act than the fishermen in Atlan-

tic Canada, but I submit that there must be a reason for this. I suggest it is because our area of Canada has been suffering acute disparity for so many years that our citizens, and especially our fishermen, are loth to assume heavy debts at the high interest rates which, as I have indicated, have been charged by this government.

• (9:10 p.m.)

Quite frankly, I believe the time has arrived for a complete review by the government of its policy in so far as our fishermen are concerned. For example, I personally do not believe that the present shipbuilding subsidy program is adequate. A subsidy of 35 per cent is inadequate at the present time, in light of present day costs. It is true that fishermen from the Atlantic provinces and Quebec can obtain loans from their respective fishermen loans boards for the purchase of new vessels, new power units and certain types of fishing gear. However, due to the high cost of construction and the increased cost of fishing gear and equipment, east coast fishermen engaged in the production of a low-cost variety of fish, operating on a shorter limited season cannot, even with the availability of provincial loans, meet the high cost of fishing boats or look after their replacement.

Surely the Minister of Fisheries and Forestry (Mr. Davis) must recognize that the construction subsidies on such vessels established some years ago should not have been cut back to 35 per cent. I would be the first to agree that subsidies on new draggers or trawlers, whether of wood or steel construction, need to be controlled and a stated amount should be available for each fiscal year. However, the abolition of the subsidy and then its reinstatement at the 35 per cent level has proved disastrous to the fishing industry and to our shipbuilding industry.

In view of the high unemployment rate in Atlantic Canada, I wonder why greater emphasis has not been placed by this government on a suitable over-all program of assistance to our fishermen in the form of aids to shipbuilding. Any funds extended in this manner would provide much needed employment in our shipyards, while adding to our commercial and fishing fleets. Without a shipbuilding subsidy our shipbuilders cannot hope to compete with foreign builders, a fact which was recognized by the recent 17 per cent export subsidy on ships announced only this week by the Minister of Industry, Trade and Commerce (Mr. Pepin).

We cannot compete due to our high labour costs and high cost of materials. I submit that our present high rates of taxation have not been helpful to our fishermen or our shipbuilders. At the present time shipbuilding in my constituency is at an all-time low, with only one or two small longliners under construction. However, this does not mean that more ships are not required, because more fishing vessels are needed as our present ships become obsolete. At the present time there is a need for new scallop draggers, and ships are required for the queen crab industry. With the expanded demand for fisheries products of all types in the United States, new groundfish draggers also must be constructed, ships which are capable of conversion to new and different methods of fishing, ships which can range great distances, ships which can fish deeper waters.

However, I point out to you, Sir, that unless the government recognizes its responsibility to our shipbuilding industry and to our fishermen by establishing a more realistic shipbuilding policy, the ships presently required by Canadians will be built in foreign lands. This would, of course, only aggravate our present serious unemployment problem. When a ship is built in a foreign land, it does nothing for the shipbuilding industry in Canada. It does not contain any wood or steel supplied by Canadians, it does not contain any Canadian heating equipment, any electronic equipment, any pipes or any plumbing, and the paint on its hull is not manufactured by Canadians. I know of no industry in Canada which makes a greater impact on our over-all economy than the shipbuilding industry. When a ship is constructed, it needs heat, light and power and a multitude of materials right down to the medicine chest for the sick or disabled fisherman.

For these reasons I believe the present subsidy program, rather than being helpful may in fact be harmful to our fishermen. With only a 35 per cent subsidy available, fishermen may well decide to build a ship much smaller than they require, simply because they have insufficient funds to build a ship of the size required for year-round fishing in the north Atlantic. For example, a 65-foot ship, whether it be a scallop dragger, longliner or purse seiner—whatever its purpose—simply cannot operate in the north Atlantic during the months of November, December, January, February and even part of March. If they do try to carry out fishing operations during this period, there is a physical hazard to the crew which would not be present on a larger ship.

In other words, this government, by its present policy of assisting the shipbuilding industry and assisting fishermen in providing a 35 per cent subsidy, is still encouraging short-range fishing operations at a time when all the signs are pointing to the need for long-range operations if we are to provide steady, year-round employment in the industry at stable rates of income for our fishermen. In my opinion, the 35 per cent subsidy could be increased to 50 per cent in order to offset the high cost of Canadian ship construction. This action would encourage, at the same time, more fishermen to participate in deep sea fishery, thereby increasing employment opportunities in many ancillary industries in Atlantic Canada.

As the minister is aware, extensive overfishing by foreign countries on our offshore banks is making it extremely difficult for many of our inshore fishermen to survive. We must, therefore, not only assist the inshore fishermen in acquiring the proper equipment with which to carry out their hazardous occupation, but we must do this in a manner that will make them competitive with foreign fishermen while at the same time enabling them to earn a livelihood and to provide for their families.

One way in which we can assist inshore fishermen, and for that matter deep sea fishermen as well, is by helping them cut their costs. We could move in this direction by lowering the cost of many ships that may be constructed.

On December 11, 1969, the Minister of Fisheries and Forestry announced changes in the fishing vessel insurance plan. I will not quote from this announcement. I refer to it only by date so as to remind the minister of the time he made this announcement.

I would suggest that this plan, with which I agree, be expanded. At present, for example, when a new ship is under construction it is necessary for the shipbuilder to place builder's risk insurance on the hull. Some three years ago builder's risk cost the builder .25 per cent. Today this cost, like every other, has increased and it is in the vicinity of .75 per cent. This is an increase of 300 per cent in the cost of builder's risk insurance. This cost must be integrated into the cost of the ship prior to the placing of the contract by the fisherman. The Minister of Fisheries and Forestry in his announcement of December 11, 1969, made changes in regard to the insurance which may be taken out by a fisherman or a group of fishermen on the hull after they take delivery of the ship and it is put into operation on the high seas.

• (9:20 p.m.)

Without reading the whole of the announcement, Mr. Speaker, the minister indicated that a 4 per cent rate on appraised value over $25,000 would be charged to a fisherman or group of fishermen as the price for insurance under the fishing vessel insurance plan. I would suggest that the minister take this plan one step further by incorporating in it the possibility of carrying the insurance that is required when a hull is under construction. This may sound like a small saving, but in view of the cost of ships today it may well amount to something like $600 to $800 for a fisherman or a group of fishermen if the present plan were expanded and the rate charged by the government were, say, approximately .25 per cent, the rate which was in existence some three years ago.

I would also point out that this coverage is generally placed overseas with an insurance corporation. Certainly it is not placed in Canada. Therefore, since we are subsidizing these ships, and even though I feel the 35 per cent subsidy is inadequate—it is still a part subsidy—in effect we are sending our tax dollars overseas in order to provide protection on a hull during its construction in Canada. This does not appear to me to make good sense. If we are going to assist our fishermen, I submit this is one field of endeavour that we should investigate. In effect, the government of Canada would be taking very little risk if it followed the course I propose.

I know of no instance in my native province of Nova Scotia where a ship under construction has caught fire, since the builders are very much interested in protecting their own livelihood. So, Mr. Speaker, I throw this suggestion out to the minister in the hope that he and his officials will give it some thought. In the event that they should decide to follow my earlier suggestion and expand the subsidy program to 50 per cent of the approved cost of the ship, I feel certain this would add impetus to shipbuilding in Nova Scotia, in Atlantic Canada and in fact throughout all of Canada. Also, the additional insurance program which I have suggested would be helpful in keeping down costs.

Farm Improvement Loans Acts

Mr. Cliff Downey (Battle River): Mr. Speaker, as other hon. members have outlined, this is primarily a housekeeping bill to update the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act. With respect to small business loans, I notice that it will be guaranteeing another $300 million over the next three years which, broken down, means $100 million a year. In the Farm Improvement Loans area there are guarantees that run to approximately $400 million a year. But, Mr. Speaker, we find that last year with respect to small business loans we used only a shade over $6 million of the $100 million guaranteed. If my memory serves me correctly, in the farm improvement loans area we only used something like $48 million of the $400 million guaranteed.

With all the bankruptcies prevalent and the apparent need for money in this country, one must ask why we are not using a far higher percentage of the money that is available. I submit the main reason is that the rate of interest is too high. It is totally unrealistic compared with the returns that businesses are making today. Under this legislation money can be borrowed at 8 per cent or 9 per cent, but frequently businesses make a profit of less than half of that or none at all. I support the previous speaker in saying that the taxes we have to pay today are no help, either. More encouragement should be given to the banks to overcome the time lag in the lowering of interest rates. The other day I read that somebody had said a banker is like a fellow who lends you an umbrella when the sun is shining but wants it back once it starts to rain. This is too often the case.

One of the main problems facing business today is posed by cheap imports. This will be a continuing problem and may eventually prove disastrous. I am sure nobody wants this country to become isolated in terms of trade and I can think of no better way to meet foreign competition, and at the same time combat the problem of unemployment, than getting money into the hands of small businesses. But we cannot do this unless we are willing to provide the means to lower interest rates. Several years ago when the interest rate was 5 per cent, money could be borrowed, business could be promoted and things could move ahead. But money lent under the terms now stipulated will serve no useful purpose. I suggest that the government is not really guaranteeing too much of anything because there is no demand for money at such high interest rates.

In this regard the banks are in a very favoured position. They lend the money, collect their profit through the interest on it and the government guarantees them against loss. In other words, there is no risk involved. I point out that the total amount lent under the Small Businesses Loans Act last year, something over $6 million, is less than half the net profit of one of the chartered banks. This is a highly undersirable situation, considering the state of business today.

Speaking about the availability of money under the Farm Improvement Loans Act, I know one man very well who went into a bank in the Maritime area and asked the banker about a farm improvement loan. The banker looked at him stonily and asked, "What is that?" Finally

the banker admitted that there was such a thing but said his bank never made such loans and in fact he did not know whether it could or not. Mr. Speaker, this is a service that should be available to everybody. It should be advertised. I know that in the Maritime area, when somebody does manage to get a farm improvement loan it is immediately thought that some sort of patronage or hanky-panky is involved, when actually people are only getting what is their due. The government granted to the banking system this monopoly on money and I suggest they should now see that the banks live up to their obligations and do their part to promote the economy and keep it healthy.

• (9:30 p.m.)

A disaster occurred in my area this summer, although the provincial government did not see fit to declare it a disaster area. We were very much alarmed at that time, but were assured that the minister would give consideration to declaring a moratorium on the principal amounts due on Farm Credit Corporation loans and farm improvement loans. A review of individual cases of need was indicated. So far, the results have not been too encouraging and I would like to take this opportunity to remind the minister, through his Parliamentary Secretary, that there is great need for special consideration when a disaster occurs such as the one in the Viking area. On that note I will close, Mr. Speaker.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I want to add just a few words to the remarks of my colleague from Nova Scotia who presented statistics on the various loan bills before us in an effort to indicate to the Parliamentary Secretary and the Minister of Finance (Mr. Benson) some of the weaknesses of this legislation. I hope the Parliamentary Secretary will be as receptive to my remarks as was his predecessor who worked with me for about a year in an effort to improve the legislation. That gentleman is in the House at the moment, and in all sincerity I must say that in the past year and a half he worked diligently to iron out the inadequacies of the legislation before us.

Perhaps we should first look at the problem, Mr. Speaker. With regard to the Fisheries Improvement Loans Act, as soon as one looks at the distribution of the funds to the various provinces it is obvious that something is wrong. For example, in the year ended March 31, 1969, $7,272,291 were paid for a grand total of 2,788 loans across Canada. Eighteen of these loans were made in the biggest fishing province in Canada in terms of the number of people involved.

Under the Small Businesses Loans Act for the period October to December, 1969, 306 loans were made for a grand total of $3,589,097. Five of these loans were made in the province of Prince Edward Island. In my province for that quarter there were no loans, and this year to date there have been two loans out of a total of 1,452 for the whole country. We had only two loans, when over $16 million were expended in Canada under the Small Businesses Loans Act.

[Mr. Downey.]

That is the situation, Mr. Speaker. Now, what is the problem? The simple problem is that the government lost control of the legislation when it gave jurisdiction to the banks. It told the banks they could lend money under these acts if the applicant had a very good reason for borrowing. It was the intention of the government to assure the banks that if the individual ran into difficulty on his repayments, the government would guarantee repayment. But the bankers are pretty shrewed and they said to the small businessman, the fisherman and, I presume, to the farmer, "We can lend you money at a much higher interest rate and not worry about this type of loan at all." That is what they have done. They have literally gone against the federal government and said, "We are not going to toe your line. We are not going to lend money to these people under this legislation."

I have come across a case which concerns me. I shall give the Parliamentary Secretary details of it afterwards, if he wishes. A man from Moreton's Harbour, a famous fishing community in Newfoundland, gave me his name, the name of the bank, the name of the bank manager and all the statistics involved. He applied for a loan under the Fisheries Improvement Loans Act and the bank asked for some guarantee that he qualified.

The banks say that a person must have the capitalization behind him and they are very rigid in this regard. This was not the intention of the government at all. They intended this legislation to be of benefit to the man who was an average risk, the person who might otherwise have difficulty getting a loan. But the bank said to this applicant that they had to be sure he was a good risk, and would not give him a loan under the act. At that time there was more money in his bank account at that bank, but he did not want to touch it because it was for a rainy day. Having refused him a loan under the Fisheries Improvement Loans Act, the bank proceeded to grant him a loan under their general loan procedures at about 12 per cent, compared with the 7 per cent it would have cost under the act. In other words, Mr. Speaker, because of the tight money situation the banks know they can lend whatever money they have available. Consequently, in provinces where money is tight, provinces with the greatest regional disparity, the banks are not interested in lending money under this legislation.

Last year I raised the question with the then Parliamentary Secretary to the Minister of Finance. He wrote to the president of the Canadian Bankers' Association, who replied as to why he felt money was not being advanced under the act. I know that the department applied pressure to try and loosen up financing, but they have not been successful because the banks have control. I say, Mr. Speaker, that this legislation is a waste of time.

We can do one of three things. We can take the legislation and toss it in the wastepaper basket, which may be the best thing to do with it; we can pass it, even though it is not functioning properly; or we can try to gain control of the lending taking place under it and bring the legislation back for further amendment. Let the federal government set up its own funding agency, if that is necessary and possible. I do not know whether that is a worth-while suggestion. It seems to be reasonable.

• (9:40 p.m.)

If the federal government is to become involved in assisting small businessmen, whether they be farmers, fishermen or other small businessmen, it should try to acquire control over its own legislation. Under present arrangements the people involved are not given a fair deal, especially in areas where there is a high degree of regional disparity. This is the problem. I have presented this case to the Minister of Finance on a number of occasions. He understands it. He is a very capable minister and understands the problem of regional disparity. He understands that fiscal and monetary policies must be uniformly applied across the nation.

This legislation is a perfect example of what I mean. We ought to make special legislative or regulatory arrangements to govern banks in areas where money is tightest. Those arrangements should govern the bank managers or the lending institutions concerned. We have laid down regulations governing their behaviour in the past and we shall have to adapt our policies to take care of areas such as the Atlantic region. I do not doubt that these remarks apply also to Quebec and some parts of western Canada; they apply to all regions where unemployment is very high.

We see these difficulties every time there is tight money. We see them especially in areas most affected by tight money, areas such as the Atlantic provinces and the slow-growth areas. I am concerned about this. Something is radically wrong. Small businessmen have made representations to me on the subject. Some of them have gone to banks, asked for loans and have been refused loans under the Small Businesses Loans Act, yet they have been offered loans at the regular interest rates by the banks. Obviously, this is a violation of the intention of the legislation passed by the federal government. It shows that the banks are really saying to the government, "You can keep your money and your guarantees. We are not interested, because we can lend to other industries at higher rates of interest." That is why I say this piece of legislation will be a complete waste of time unless we amend it so as to give us greater control over its application.

My only other point is this. Let us consider the fishing industry on the Atlantic coast. I am not too familiar with the industry on the Pacific coast, but perhaps the same considerations obtain there. Many of our fishermen are caught in a squeeze. They are inshore fishermen and they need to become fishermen in a bigger way. They need the capability to go where the fish are and to catch them. These men are caught in a squeeze. Not many years ago we had about 10,000 inshore fishermen in my province. I could not quote statistics for the other provinces. They were men who operated with small boats, some of them 35 feet long and less, with inadequate equipment and inadequate technology. These are the men who made up the bulk of our traditional Atlantic fishery.

These people are now faced with this situation. The inshore fishery stock having been depleted by the fishing vessels of the Soviet Union and the East Germans, our inshore fishermen cannot get out to where the fish are. The fish are no longer as close inshore as they were, and if these men are to make a living from the fishery they must acquire the capability of going farther out to sea. These traditional inshore fishermen need better fishing gear. They are still good fishermen; they know more about fishing than any of us. They are professionals, and they are caught in the squeeze. They cannot go after the fish. They need larger boats and better electronic equipment. They need radar and sonar, better nets and the technology that will enable them to go out where the fish are and find them.

I do not know how many thousands of fishermen in Atlantic Canada today—and there are roughly 10,000 in my province—cannot earn a living with the fishing equipment they possess. I say that the Department of Fisheries and the Department of Finance ought to get together and try to come up with an over-all, comprehensive program which will help these people. The alternative for these men is help under the Canada Assistance Plan, which they do not want. Fishermen do not want that. They are capable of earning their own living. They are people with skills and trades and able to prosecute a fishery in a reasonable manner.

Some of them have been kept afloat with the longliner program. Not long ago the government introduced a program under which, to help the fishery in one province, 60 longliners were built. That program is relatively small when one realizes that there are roughly 1,000 communities in one Atlantic province alone which need help. Sixty longliners do not go far among 1,000 communities. There are roughly 20,000 fishermen in one province. The government should seriously consider a comprehensive program along the lines recommended by the hon. member for South Shore (Mr. Crouse). Under it the fishermen would have access to improved technology, which would assist them in their fishery and help them out of the squeeze.

I become depressed when I see such people in my riding. During the past week-end I talked to 300 people in a community on Fogo Island and every second man I talked to did not have the technological ability to get out to where the fish are. Yet these men are eager to fish, and given half a chance they would do a good job. I should like to describe some of the things I saw, but perhaps hon. members might not wish to hear me speak for half an hour about the heartbreaking cases of these people who want nothing but the chance to use their skills.

I shall give one more example of what I mean, Mr. Speaker. I met a man from a community called Seldom. He has a small boat; it is 40 or 43 feet long. Nobody, but nobody in the fishery stands a substantial chance in a small boat because you have to go a long way offshore to fish. That man has been going 25 miles offshore into the Atlantic. He leaves the shore and he goes straight out in the Atlantic. First of all, his facilities for getting back are inadequate. I hope to make representations to the Minister of Transport (Mr. Jamieson) for the installation of better equipment to help people like him get back to shore.

That man has no radar and no sonar. He cannot sound the bottom and know what is beneath him. The Russians are out there with enough technology to frighten the hair off your scalp. Yet he is out there in a 43-foot boat and he has with him about five men.

This individual came to me and said, "I am ashamed. I am only landing between 4,000 and 5,000 pounds of fish, whereas I should be landing 15,000 and 20,000 pounds a day. But I cannot do it." He has to go between 25 or 30 miles offshore, where the big boats go, and he does not have sufficient electronic equipment. I said to him, "Can't you go to the provincial fisheries loan board?" He said, "But the loan board will ask, what security do you have?" This is a provincial board which makes loans.

Several people in the community have told me that he is one of the most reputable small businessmen in the community. If given the chance, he would be capable of bringing in two or three times the amount of fish that he brings in at the moment. He is capable of providing five families at least with a livelihood, and there are another ten families who work on shore in association with his venture. So about 15 families make a living from the capabilities of one man. How much money does he want to buy the equipment he needs? He needs $5,000. That is how much he needs to be able to go out where the fish are. If he does not get it he will have to go on welfare; he has no other choice. I could describe dozens of cases such as that, cases involving capable people who need boats of 50, 60 or 70 feet if they are to go out to the fish.

The hon. member for South Shore said that these men need the benefits of advanced technology to enable them to get out into the Atlantic. When you talk about those waters, you are talking about big boats, but I have been talking about the small, inshore fishermen, some of whom in their small boats have to go out between 25 and 30 miles. These men would bring back more fish if they had the necessary equipment. On the same evening I have been talking about, one fishing craft in the community brought back 33,000 pounds of fish worth $1,650. I think it had a five-man crew. They obtained that catch because they had the necessary radar and sonar equipment. They could find the fish and they knew what type of seabottom was under them. However, I am not going to draw any more maps. It is important for us to take a very close look at this legislation, because it is not serving our purposes in Atlantic Canada. The banks, with their loan policies, have deliberately frustrated the efforts of the federal government in the implementation of this program.

• (9:50 p.m.)

My second point is that we must have a better scheme to help fishermen and small businessmen. The resources are there and these men should be able to reap them. A comprehensive program should be established so that our fishermen cannot only earn a living but can make a significant contribution to Canada. The alternative is the Canada Assistance Plan.

Mr. Frank Howard (Skeena): Mr. Speaker, I am sure all members listened with great interest to the speech of the hon. member for Gander-Twillingate (Mr. Lundrigan). It brought back memories of the time his party formed the government. Similar speeches, including some by Liberals, were made at that time and fell on deaf ears. His party formed the government in office and should have used their influence to solve these problems. We are involved in thinking in terms of the political philosophy of the government in an aspect of the so-called free enterprise or capitalist economy.

The manner in which the bill is constructed indicates that the government does not honestly believe in its own philosophy with regard to the free enterprise system. The government believes in foreign-controlled enterprise, a monopoly kind of enterprise with price-fixing conspiracies and the like. Even in those terms a person with initiative and drive is probably exemplified by small businessmen, fishermen and farmers.

Farmers and fishermen are our primary producers of food-stuffs, the farmer more than the fisherman because there is an element of union organization among fishermen which gives them economic leverage. The farmer has no authority, control or say over the price he pays for the machinery and equipment that he buys, or the price he receives for the goods he sells. The fisherman is in that position to a slightly lesser extent. These two groups of primary producers are at the mercy of an element in society that has control over some aspect of our economy, whether it be a manufacturer of equipment or gear or a distributor of foodstuffs.

By this legislation and the three acts that have been brought into force, the government has attempted to equate the prime producer and small businessman with large business. There is an attempt to force small businessmen, farmers and fishermen who do not have control over their economic destiny into an uncompetitive position with regard to the money market. As pointed out by the hon. member for Gander-Twillingate, he is forced to deal from an unfair advantage position with the private chartered banks. He is forced to compete with the large fishing companies which by reason of their corporate structure can quite easily borrow money from the banks or float debentures at higher interest rates in order to obtain capital. Fishermen are at the mercy of the banks which may not want to lend them money, depending on the current interest rate.

The proposals in the white paper on taxation in so far as tax measures are concerned attempt to equate small businessmen with large business concerns. They should not be subject to equation. The intent and purpose of Parliament should be to give some advantage to our primary producers. Public funds should be available for loans at a rate that is reasonable, not usurious. The facilities of the nation should be provided within the concept of an extremely large credit union which would provide a service to our primary producers rather than drive them into a poorer and poorer economic situation.

I wish to refer briefly to the Fisheries Improvement Loans Act and the annual report which was published in March this year. The report paraphrases this act. It points out that under the Fisheries Improvement Loans

Act money may be borrowed from a bank for the purpose of buying and building fishing vessels, acquiring fishing equipment, major repair or overhaul of fishing vessels, purchase or construction of shore installations, construction, repair or alteration of buildings required by a primary fishing enterprise, or other prescribed developments of or improvements to primary fishing enterprises. There is a limit of $25,000 on the amount an individual fisherman may borrow.

Mr. Deputy Speaker: Order, please. In accordance with Standing Order 40, a motion to adjourn the House is deemed to have been made and seconded at this time.

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BUSINESS OF THE HOUSE

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the uncertainty today, can someone inform the House regarding government business for tomorrow?

Mr. Francis: Mr. Speaker, I believe there is an understanding that the bill to amend the Old Age Security Act will be discussed tomorrow.

PROCEEDINGS ON ADJOURNMENT MOTION

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

UNEMPLOYMENT INSURANCE—INCLUSION OF HOSPITAL WORKERS—PAYMENT OF COST

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, on November 25 I raised the question in the House as to whether hospital workers should be included in the unemployment insurance plan. If they were, then the federal and provincial governments should costshare this program. There were several reasons for raising this subject. In 1951, Hon. Paul Martin, then Minister of National Health and Welfare, ruled that they should not be because there were few layoffs of hospital workers: attrition and retirement look after this matter; this is the way hospital workers leave the job. He therefore felt it would be an unnecessary cost to the hospital system.

• (10:00 p.m.)

Every minister of health since that time has come to the same conclusion. Surely they cannot all be wrong. But if they have been wrong and unemployment insurance is necessary, it is my contention that the federal government and the provincial government concerned should pay the contributions under a cost-sharing program. I take this view because the federal government has said: You must limit increases in total costs to 8½ per cent. Provincial governments have said the same thing, in spite of the fact that hospital costs have been rising at around 15 per cent.

According to the government, the increase must not amount to more than 8½ per cent, without provision for new facilities needed to keep operations up-to-date. And we must remember that this is an age in which new diagnostic methods are being introduced at tremendous speed, adding extra costs every year, an age in which our knowledge of medical and scientific facts is doubling every eight years. Costs will continue to increase if we are to provide top quality medical care. Otherwise, research will be stifled and medical progress will be retarded.

The government well knows that salary increases have amounted to more than 10 per cent across Canada and that 70 per cent of a hospital's budget goes in salaries. Yet it proposes to take 2 per cent out of the 8½ per cent I have mentioned and still expects the hospitals to meet their commitments. In effect, we are asked to run our hospitals on the basis of a 6½ per cent increase in total costs even though the real cost is twice that amount. Unless salaries are increased, this action will take $17½ million out of the workers' pockets and another $17½ million out of hospital budgets.

A hospital has only a limited budget, and costs have to be met. If it becomes necessary to raise salaries, the size of staffs will have to be cut. No one will argue that the workers do not need an increase in pay, bearing in mind today's spiralling costs. What happens if administrators have to let people go? There is very little fat in hospital budgets today and if anyone is let out, a nurse or a helper, the quality of the service goes down. When the nursing staff is affected, patients suffer directly.

Kenneth Box, administrator of the Queensway Hospital, Toronto, said he feels that if the 8½ per cent guideline must be followed he will have to cut 40 of the employees from a staff of 700 workers in a 350-bed hospital. Douglas Sneddon, executive director of the Sick Children's Hospital in Toronto says he is in trouble if he wants to live up to his responsibilities and pay a fair wage to the 3,000 employees. I think this makes the point. There must be no cutting of essential services in hospital care and no reduction in the quality of care. The government has promised this, but one becomes leery of government promises. When they brought in medicare they set up a health research fund to train the necessary doctors according to the ground rules. Then, when the centres were under construction, right in the middle of it they said: We are hard up; we must cut the fund.

Mr. Speaker, I have just come from a committee meeting in which we were talking about this very question. If unemployment insurance is necessary for hospital workers, if it is necessary to keep cost increases to 8½ per cent, then the federal government and the provincial governments, in all fairness to the people of Canada and to hospital workers, ought to pay for it on a cost-sharing basis.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the source of the hon. member's question is a recent resolution passed by the Canadian Hospital Association. The premise behind the question is that hospitals will always continue to expand and, there-

fore, that unemployment among hospital employees will not under these circumstances pose a problem.

Certain hospital boards have insured employees under the unemployment insurance regulations in the past. While this is not common practice, these boards saw fit to do so. The added flexibility given to hospital administrators in these hospitals has enabled them to adjust staff to the needs of patients by implementing staff reductions as required. They were able to do so because of the knowledge that employees laid off work would receive benefits from their unemployment insurance coverage.

Recent trends in health manpower show that local surpluses of hospital employees are merging in some areas of the country. To deny the benefits of unemployment insurance in face of this change of employment patterns would be contrary to the best interests of hospital employees and to the efficiency of the hospital. As the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Isabelle) stated at a recent seminar held in London, Ontario, between 70 per cent and 80 per cent of hospital costs are attributable to wages and salaries.

The government is now prepared under the Hospital Insurance and Diagnostic Services Act to accept small increases in total wage and salary costs which would ensue from the inclusion of hospital workers under the unemployment insurance plan. More than 2½ per cent of all Canadian workers are employed in hospitals and other health care institutions. To deny this segment of the Canadian work force the benefits of unemployment insurance would not be in their best interests.

A few days ago the Minister of Labour (Mr. Mackasey) attended a seminar in the city of Toronto, and hospital workers in that great city made a statement which is shocking in the year 1970. One lady professed to indicate that she is a hospital employee responsible for the care of human beings but was being paid substantially less than the monkey-keeper of the local zoo. The members of this House have to be concerned about the low wage levels of this profession and the need of these people for unemployment insurance.

Mr. Deputy Speaker: Order, please.

Some hon. Members: Continue.

Mr. Deputy Speaker: Order, please.

Mr. Rynard: You are making my point.

Mr. Deputy Speaker: I must advise the Parliamentary Secretary that his time has expired.

NORTHERN AFFAIRS—IMPLEMENTATION OF LAND USE REGULATIONS—PERFORMANCE BONDS

Mr. Randolph Harding (Kootenay West): Mr. Speaker, on November 24 I asked the Minister of Indian Affairs and Northern Development (Mr. Chrétien) when the regulations respecting land use operations in the Yukon and Northwest Territories would come into effect. The following supplementary question was also asked:

> In view of the required posting of $100,000 performance bonds by the two oil companies doing work on Banks Island in the Arctic, why has this regulation not been applied to all companies doing similar work in the Arctic area?

The minister indicated that the land use requirements would soon become legal, but I received no answer to the supplementary question. I find it difficult to understand why the Minister of Indian Affairs and Northern Development has been so long in bringing down the northern land use regulations. I understand the department has been working on these regulations for almost two years. The legislation to which they will apply was passed many months ago, but the greatest tragedy of all is that a great and increasing economic development is taking place in northern Canada with no effective regulations to guide it. This is a shameful situation and one that should not be allowed.

It is obvious that the Department of Indian Affairs and Northern Development places low priority on the protection of our northern environment. It seems that the whole department is bogged down as far as environmental protection is concerned. The lengthy delay in instituting the northern land use regulations indicates this. I understand that the original draft dealing with these land use regulations has been drastically revised. The chances are that when the new draft comes to light we will find that the exploiters of our northern resources have forced the government to do away with some of the most effective control regulations. I will not speculate as to what we will find in the regulations when they are brought down by the minister, but I suggest there should be no further delay in having the regulations announced and in bringing the vast amount of exploration in our Canadian north under some type of control.

In checking over the budget for the department I feel that it is far too low if any major effort is to be made to enforce the regulations and to keep inspectors in the area. An adequate staff must be found, trained and hired. There is no indication that the department has proceeded at any great speed in this connection. Perhaps the minister could inform us how large a staff is already on hand to do the job of inspection once the regulations are announced.

• (10:10 p.m.)

Another major problem in connection with the whole northern development program is that there appear to be no overriding central objectives set out by the department. Long-term objectives are desperately needed for the north. We must know how the residents and the wildlife fit into the exploration and economic programs which will flow from it. This matter should be given the highest priority because the residents of the north will be living there long after the oil and the mineral resources have become exhausted.

I requested information from the minister concerning the reason other companies working in our northern areas were not bonded as those on Banks Island had

been. Perhaps he can give me that information tonight. Is the bonding of companies engaged in exploration work in the north one of the new regulations to be brought down by the minister? If so, does it cover the entire area, or is the bonding of companies to apply only to certain sections of our Arctic areas? It would seem to me that immense ecological damage could be done by any company and that bonding is an excellent method by which to make certain that companies engaged in this exploratory work live up to the regulations. This is especially essential in our northern areas where the ecology is so fragile that it can be easily destroyed for centuries to come.

During the debates in this House on legislation dealing with our great north country there was agreement that our northern ecology must be protected at all costs. The need for land use permits with tough regulations was pointed out. The need for sharply increased research into Arctic problems was another requirement. It was also urged that the rate of exploration and exploitation should be slowed until we had the regulations to control it, as well as the research background and experimentation upon which to base our decisions and a fully trained staff to enforce the conditions under which land use permits are issued.

I urge the minister to bring down these regulations without further delay. I trust he has not given in to the economic interests in the north and so watered down these regulations that they will be largely ineffective. Land use permits are especially powerful weapons with which to protect our environment, and they must cover the entire area. Perhaps the minister can assure the House on this point tonight.

There is already a great deal of information available on our Canadian north. This must be drawn together and properly evaluated. I trust the Department of Indian Affairs and Northern Development has already started to do this. I hope it has drawn heavily on the expertise to be found in other government departments such as Energy, Mines and Resources, and on the experience of other countries.

In closing, I again express my disappointment at the failure of the department to bring down long before now the northern land use regulations which are so vital to the protection of our northern ecology. I hope the minister can tell us tonight why there has been such a lengthy delay in setting up these regulations and when he expects to introduce them to the House.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I should like to point out to the hon. member that his concern is rather surprising since, in the last few months, this House has passed three different acts to ensure a more rational development of the North, and so that the mistakes made in the South might not be repeated up there.

The hon. member will surely remember the will I myself introduced on the protection of the Arctic waters, as well as the bill dealing with the conservation of the inland waters in the Yukon and Northwest Territories which represent almost a sixth of all fresh waters in the world. To my mind, that act is the most modern there is.

In addition, one must also remember the measure passed at the end of the last session, authorizing the minister to enact stricter regulations respecting resource development in the Northwest Territories.

However, we cannot formulate the regulations mentioned by the hon. member before legislation is passed. I hope the regulations will soon be approved by the cabinet. Meanwhile, I myself have taken the initiative to oblige industries in areas where we feel the ecological balance is at stake, where native populations continue to live on fishing and hunting, to put up $100,000 to prove their good faith.

I must say that on Banks Island, the companies involved as well as the Eskimos and department officials have been working hand in hand and that the new procedure makes it possible for everybody to co-operate. Otherwise the department would be working alone, while the companies and the inhabitants of the Arctic Islands or other northern areas would be working on their side. Indeed, we are trying to co-ordinate the efforts of all those interested in convervation and exploration.

I think that the hon. member would be pleased to know that we will soon be enacting the regulations which he has been anticipating, but in the meantime, we have obtained the full co-operation of the companies involved as well as that of the native people.

[*English*]

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

APPENDIX

STATEMENT ON CONSULTATIONS IN LONDON, BRUSSELS AND GENEVA RE: E.E.C. ENLARGEMENT

On behalf of the Government and accompanied by officials of the Departments of External Affairs, Finance, Agriculture, and Indsutry, Trade and Commerce, I visited Geneva, London and Brussels in October to put forward Canadian interests in the current negotiations for enlargement of the European Economic Community.

In Gevena, I had a tour d'horizon of current world trade issues with the Director-General of the GATT. In London, I met with Prime Minister Heath and three of his Cabinet colleagues. I had talks in Brussels with five of the eight members of the E.E.C. Commission, the permanent representatives of the six member states, the British negotiating team, the Ambassadors of the other applicant countries (Ireland, Denmark and Norway) and the Ambassadors of the United States, Australia and New Zealand.

Those with whom I met welcomed our representations—they clearly wanted to have a better understanding of Canada's point of view.

Main Themes

In my conversations, I highlighted four main themes:

1. Our concerns about the negative effects of E.E.C. enlargement on Canada's access to the markets of the United Kongdom and Western Europe and its repercussions on the framework and patterns of world trade.

2. Our conviction that in some instances mutuality of interests exists between Canada and Britain and the E.E.C., offering scope for adjustments.

3. Our intention to bring into play at an appropriate stage the contractual rights and obligations, under bilateral arrangements and under the GATT, which would be affected by E.E.C. enlargement.

4. Our views as to the importance of developing new initiatives for freeing of trade on a multilateral basis during the period of European negotiations.

Some Effects of Enlargement

In discussing the direct impact E.E.C. enlargement would have on Canadian trade, I drew a statistical picture of the changes in access terms which our exports to Britain would face if that country adopted the E.E.C. Common External Tariff and the Common Agricultural Policy unchanged. Only about 36 per cent of these exports would continue to receive free entry compared with some 94 per cent at present. The remainder would face tariffs, loss of Commonwealth preferences and reverse preferences in favour of our E.E.C. competitors. Our agricultural exports would be in an even more difficult position as the inward-looking Common Agricultural Policy makes use of levies, subsidies and other special protective devices.

The actual effects on the volume and profitability of Canadian sales would, of course, vary considerably from one item to another. However, it was important to ensure that the parties to the negotiations were fully seized of the fact that almost 70 per cent of our exports to Britain would be adversely affected under the present Common External Tariff and Common Agricultural Policy.

I underlined that Britain is Canada's second largest export market accounting for about one-quarter of our overseas sales. It has been purchasing more than $1 billion of Canadian goods annually in recent years and in 1970, its purchases will exceed this level by a considerable margin. Our exports to the E.E.C. and other applicant countries are approximately of the same magnitude as our sales to Britain. Some of these would also be adversely affected by E.E.C. enlargement.

As regards the more general implications, we emphasized the danger of a polarization of the world trading community into inward-looking rival blocks. The E.E.C. is already the world's largest trading entity. Enlarged, it would account for more than one-quarter of world trade, that is, not including intra-Community trade—compared with about 20 per cent for the United States. About 50 of the 91 members of the GATT could be either members of the E.E.C. or countries associated with it.

I urged that the E.E.C. use its influence to facilitate and encourage continued expansion of trade on a world-wide basis and not only within its own grouping of member and associated countries. The world trading community and the E.E.C. itself would have much to gain from such an outward-looking policy. On the other hand, if E.E.C. enlargement mainly has the effect of limiting and diverting trade from third countries, the Community is itself bound to lose over the longer run in terms of consumer and producer costs. Moreover, outside suppliers could not remain indifferent to the loss of important traditional markets for their goods in the E.E.C. and in the countries associated with it.

The Enlargement Negotiations and Canada

As honourable members are aware, Britain has already told the E.E.C. that it is prepared in principle to accept the Common External Tariff and the Common Agricultural Policy.

As regards accommodation for outside interests, the only specific issues Britain has raised in the negotiations relate to access for New Zealand butter and lamb and Commonwealth sugar and to relationships between Commonwealth developing countries and the enlarged community.

Certain arrangements which Britain is seeking in its own interest could help some of our exports. For example, as I have already told the House, nine of the twelve industrial materials for which Britain has requested special arrangements are of interest to Canada. These are aluminum, lead, zinc, newsprint, wood pulp, plywood, phosphorus, ferro-silicon and silicon carbide. Together they account for more than one-fifth of our sales in the British market.

There would also be, in case of enlargement of the E.E.C., a transitional period during which Canadian exporters could adjust to the new situation. The British have proposed that the application of the common tariff

on industrial goods be staged over three years and that there should be a transitional period of six years for agriculture.

On the basis of my discussions with European leaders, I can say that Britain and the E.E.C. are prepared to explore with us areas where their interests may to some extent coincide with our own. They are also willing to maintain a two-way flow of views and information with Canada throughout the negotiations. We hope that their agenda will not be too rigid to allow them to do these things in a meaningful way.

It would, however, be misleading for me to suggest that there is prospect of any major accommodation of Canadian trade interests in the short term. Apart from whatever possibilities may exist for adjustments based on mutuality of interests, we must assume that, if the negotiations succeed, Canadian exports to Britain will eventually be subject to a Common External Tariff and a Common Agricultural Policy.

The general situation as far as access for Canadian goods is concerned would be significantly improved if the trading countries of the world undertook, during the enlargement negotiations or before the end of the transitional period, a broad negotiation to reduce tariffs and non-tariff barriers to trade. This would mitigate the trade diverting effects of E.E.C. enlargement in much the same way as the Dillon and Kennedy Rounds eased the impact on third countries of the original formation of the E.E.C.

For the present, however, European energies are being concentrated on the re-shaping of Europe. In Brussels, it was emphasized that "élargissement" is only one of the current preoccupations of the E.E.C.—the other being "approfondissement," the progressive transformation of the Community from a customs union into a full economic and monetary union. We suggested that they should give more thought to the need for a "modialisation"—or adaptation of the results of the enlargement negotiations to the requirements of world trade.

European Views

In both Brussels and London, there was a tendency to agree that the Canadians were exaggerating the impact of E.E.C. enlargement on their trade. I was told that many of our exports would benefit from the dynamics of growth of the enlarged Community and its rapidly expanding import needs. Reference was made to the fact that the E.E.C.'s imports have more than doubled since 1958 when the Community came into being. It was also pointed out that the average level of the Common External Tariff on industrial goods was lower than that of the United States. Other favourable factors, including intercompany arrangements, could, some Europeans believe, ensure continued exports to an enlarged Community of some of our industrial goods.

In our meetings in London, the British sought to convince us that there would always be a large market for Canadian hard wheat in Britain because it was needed to maintain the right balance in milling operations.

We were repeatedly assured by all that the policy of the E.E.C. (and perhaps even more so of an enlarged E.E.C.) would be responsible and outward-looking. In fact, all said Europe "would not be comfortable with an inward-looking orientation."

We listened carefully to these reassuring assertions. I said we sincerely hoped that events would bear out the assumption of faster European economic growth following enlargement. This would not help us however, we emphasized, in those cases where their tariffs or other trade barriers were highly restrictive, as in the agricultural sector.

If Europeans are going to continue to need our industrial materials to sustain efficient economic growth, why impose on themselves the burden of paying significant customs duties on some of these products? If the enlarged Community will continue to need our wheat, should not the relevant regulations of the Common Agricultural Policy be adjusted to facilitate such trade.

I welcome their predictions that an enlarged Community would be outward-looking and said that we hoped to see this reflected in the progress of the GATT work program and in future initiatives toward trade liberalization.

Canadian Strategy

What will be the Canadian attitude in the months and years to come? We shall continue, as I indicated, to keep considerations of this kind before our trading partners in Europe throughout the negotiations. We shall continue to seek areas of mutuality of interests. We shall continue to urge the E.E.C. and the applicant countries, when they are weighing the merits of alternative solutions, to include in the balance the interests of third countries and the future of the world trading community.

As honourable members know, my colleague, Mr. Sharp, is now in Europe and will be discussing the implications of E.E.C. enlargement for broad Canada-Europe relations.

Our discussions will be pursued in the coming months with all present and prospective members of the Community. In our consultations with them, we are placing considerable emphasis on the kind of relationship which an enlarged Community would have with Canada and other countries and trading groups.

As the negotiations in Europe proceed, we shall be considering how our important contractual rights and obligations can be put into play most effectively. We shall also be reviewing the implications of E.E.C. enlargement for Britain's preferential access to the Canadian market.

In the meantime, we shall use our influence in the GATT to maintain the momentum of trade liberalization efforts and press in particular for a major round of negotiations before the results of the enlargement negotiations are put into effect. We shall continue to urge the United States to provide, with the E.E.C. and other major world traders, the leadership and support which is essential if these efforts are to succeed. We had the opportunity to discuss these matters recently with members of the United States Administration when the Joint Canada-United States Committee on Trade and Economic Affairs met November 23-24 in Ottawa.

We shall have no illusions, however, that we can safely leave the protection of Canadian interests to others. As a major trading partner of Britain and a significant market for the E.E.C. and the applicant countries, Canada is not without bargaining power. These countries all wish to do more business with us; we shall insist that the terms on which we trade are fair to us as well as to them.

It will continue to be a key objective of Canadian policy to intensify our trading relations with Europe as a whole. There will be adjustments to be made because of enlargement but in view of the magnitude and variety of Europe's import needs, there should be many opportunities there for Canadian trade. We must strive to gain a share of European markets which is more in line with our role in world trade generally.

In Industry, Trade and Commerce, we have already been giving greater emphasis to this area in our departmental programs. One-third of the officer strength of our trade commissioner service is now engaged in Europe. We are devoting more resources to trade fairs and missions in the European Economic Community. We are seeking to expand the framework for scientific and technological cooperation with a number of European countries. For example, following a science and technology mission to Belgium in June, we have drafted an agreement to facilitate this type of cooperation with that country.

In the first ten months of this year, our exports to the Community were 43 per cent above those in the corresponding period of 1969. In 1970, the E.E.C. will be, for the first time, a considerably more than $1 billion market for Canadian goods.

Our activities in some of the countries which are or will be associated with the E.E.C. are also being stepped up. For example, we have just had important discussions in Ottawa with a high level delegation from Algeria. These talks have led among other things to the sale of from 850,000 to 1 million metric tons of wheat for delivery over the next four years.

We will be continually seeking ways of improving the effectiveness of our trade development activities in the E.E.C. and associated countries. I hope that Canadian exporters will also ask themselves whether there is anything more they could do to expand their sales to this dynamic trading group.

The public and private sectors in Canada will have to work closely together in order to minimize the adverse effects of E.E.C. enlargement on our trade and to maximize its positive elements. I know that we can count on all sectors of Canadian industry and I assure them that the Government will do its part.

HOUSE OF COMMONS

Wednesday, December 2, 1970

The House met at 2 p.m.

NEW MEMBER

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Jack Murta, Esquire, for the electoral district of Lisgar.

* * *

NEW MEMBER INTRODUCED

Jack Murta, Esquire, member for the electoral district of Lisgar, introduced by the Hon. Robert L. Stanfield and the Hon. W. G. Dinsdale.

ROUTINE PROCEEDINGS

REGIONAL DEVELOPMENT

First report of Standing Committee on Regional Development—Mr. Morison.

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

* * *

[*Translation*]

VETERANS AFFAIRS

STATEMENT ON INCREASES IN PENSIONS AND ALLOWANCES

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Mr. Speaker, in a few seconds I will have the pleasure of presenting a motion for first reading of a bill to amend the Pension Act.

As this bill is so closely related to the general question of rates of pension and war veterans allowances, I am taking advantage of the occasion to make clear the government's intentions on that subject. May I add that I am delighted to announce, in concrete terms, the plans to improve the benefits which are the right of those who served our country when democracy was being threatened in the world.

I am confident that the statement I make today will be welcomed by every member of this House, as it will warm the hearts of a large number of veterans.

The government plans to increase all pensions which are paid for death, or disability, related to military service by 10 per cent as of April 1 next.

Because these pensions are paid as a matter of right they are not subject to a means test and are free of income tax.

Under the revised schedules, the 100 per cent disability pension for a married man will rise by $408 to $4,464 per year. His single counterpart will find his pension increased by $324 to $3,504 per annum and the widow's pension will go up by $240 to $2,640 annually. Pensions for children and dependent parents, brothers and sisters will be proportionately increased.

These increases mean that an additional $22,000,000 will be paid to our pensioners next year, over and above the $214,000,000 they will receive this year.

We also propose to align the rates for pensions, paid under Parts I to X of the Civilian War Pensions and Allowances Act, with those of the Pension Act. It is under this act that pensions are awarded to merchant seamen, ferry pilots, auxiliary services supervisors, and other quasi-military personnel who suffered disability, or died, as a result of their war service.

• (2:10 p.m.)

[*English*]

Also, Mr. Speaker, next April 1 we propose to raise the maximum allowances payable under the War Veterans Allowances Act and under Part XI of the Civilian War Pensions and Allowances Act, by 15 per cent.

The new rate for single recipients will go up by $16 a month to $121, and the married rate will increase by $26 to $201 monthly. The rates for orphans and blind persons will be similarly increased. The present rates have been in effect since 1966 which explains why the WVA increase is 5 per cent higher than the pension increase.

War veterans allowances are subject to a means test, as before, which is based on income ceilings for single and married recipients. When the rates are raised these ceilings will be increased from $145 to $161 and from $245 to $271 respectively. We estimate that these revisions will mean that WVA and CWA recipients will receive an additional $21 million in the 1971-1972 fiscal year.

At the same time as the new WVA rates and ceilings go into effect, the regulations will be changed to provide that recipients who are also eligible for old age security and guaranteed income supplements, which are also being increased, will be deemed to be receiving the full amounts to which they are entitled under those programs. Their war veterans allowances will then be adjusted to supplement their OAS and GIS payments to bring their incomes to the level of their relevant income ceilings.

Mr. Speaker, it has given me the greatest personal satisfaction to be able to announce, on the same day, the

increases in pensions and war veterans allowances as well as having the privilege of sponsoring a bill to enact into law the results of the most extensive review of the Pension Act in half a century. The three components have together resulted in a complete package of benefits for those who, when they were needed, placed their lives at the disposal of this country and for whom Canada has a special obligation.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, although I have been waiting with bated breath since nine o'clock this morning for the statement by the minister, I was surprised about five minutes ago when I was handed three pages. While I am heartened by the fact that there are increases, why it took so long to decide on an increase of 10 per cent for disability pensions and 15 per cent for those war veterans receiving allowances, who have not had an increase since 1966, is beyond my powers of imagination.

Some hon. Members: Hear, hear!

Mr. Marshall: The important thing is, Mr. Speaker, that this poverty line that we keep referring to every day seems to be away up in the clouds as far as this government is concerned.

Mr. McGrath: Too little, too late.

Mr. Marshall: In a speech the minister made in the House in reply to my party's motion on October 27 urging the government to implement the necessary legislation, he said that the wheels of justice are slow. I am heartened, as I am sure all hon. members and the many thousands of Canadian war veterans will be heartened, that the wheels of justice are starting to move again—

Mr. McGrath: They need some oil.

Mr. Marshall: —and that we can see some ray of hope for these deserving Canadians.

It would appear most of the recommendations of the Veterans Affairs Committee are acceptable to the government, the most important being those relating to the Hong Kong veterans and other prisoners of war and their dependants. They include increased payments for those suffering exceptional incapacity, consequential disability, loss of paired organs, the retroactivity clause and the acceptance of an organization arrived at by compromise for the handling of applications and appeals.

As to the Hong Kong veterans and prisoners of war, the white paper produced in August, 1969, over one year ago, indicated recognition by the government at that time of their need, but an amendment was not introduced immediately to grant the benefits which the government said they agreed were deserved. The result is that even though the benefits will be retroactive, many of those veterans who suffered such exceptional hardship will not be able to experience the joy and satisfaction of some justice for their wives and children, if not for themselves, because they have passed on.

[Mr. Dubé.]

On page 37 of the white paper on income security, Mr. Speaker, there is a reference to veterans and the interrelationship of war veterans allowances and workmen's compensation. I find it very distressing that, some 25 years after these men in the prime of their productive life served their country in war, the government is now saying they were not really fighting an enemy, they were not dedicating their lives, they were not being tortured in prisoner of war camps but were "work-connected", to use the phrase in the white paper. I shudder at this phrase indicating that it is considered that veterans pensions should be integrated with the Canada Pension Plan and with workmen's compensation. This bothers me, Mr. Speaker. While I do not want to appear pessimistic, it is becoming, to me at least, more obvious day by day that the Department of Veterans Affairs will be gradually phased out and absorbed by the Department of National Health and Welfare. This is completely unacceptable to my party and, I am sure, to the nearly one million surviving war veterans and their dependants. I can only hope that somewhere in the cold heart of present-day bureaucratic thinking there remains some human consideration for the dedication of Canadian war veterans.

Finally, Mr. Speaker, I say in a spirit of comradeship that my party offers our pledge of acceptance of this bill and our complete co-operation in its speedy passage. We are prepared to sit day and night in the parliamentary process to achieve third reading and passage of the bill.

This bill is a very significant step forward in the consideration of the dedication and service of some one million of our citizens, but there is much more work to be done. There are many phases of veterans legislation that must be re-examined and reassessed on a continuing basis. To mention a few, there are the merchant marine, the fire-fighters and the Newfoundland foresters, and we must also examine the Veterans Land Act to try to help those veterans who are still without decent accommodation.

• (2:20 p.m.)

I hope that in the not too distant future we who sit in this House, even if the wheels of justice and of Parliament are slow, will be able one day to stand proudly because of the feeling that we have paid our debt to the war veterans of Canada.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we in this party understand the pleasure that the minister feels in being able to introduce today a bill with regard to veterans legislation and also in being able to announce increases in the levels of disability pensions and payments under the War Veterans Allowance Act. I might be pardoned for suggesting that the very good bill that is to come as well as these increases are to a large extent a tribute to the good work that was done by the Standing Committee on Veterans Affairs which was ably assisted by the representatives of the veterans organizations of Canada. However, Mr. Speaker, even though the

minister may feel that this is a pleasant experience for him, I am afraid I must tell him that many veterans in Canada, especially those who have waited a long time for this announcement, will be disappointed.

The previous speaker has referred to the poverty levels which forever seem to be above the income levels of veterans and other groups in this country. I join with him in urging the government to try to bring our veterans at least up to the recognized poverty level.

The minister's announcement, Mr. Speaker, deals with two main categories of payments, namely, pensions that are paid as of right, and allowances that are paid under a means test. With respect to the pensions that are paid as of right, the minister has announced an increase of 10 per cent, effective April 1, 1971. May I remind him that a short while ago the national veterans organizations of Canada addressed an emergency appeal to the government, pointing out that there was a crisis in the experience of veterans. That group, in a very responsible manner, urged that there be increases in veterans disability pensions of 6 per cent as of September 1, 1970, and an additional 6 per cent as of January 1, 1971. A number of veterans have written to me and complained that their organizations did not ask for more. I suggest that that total of 12 per cent, to be in effect by January 1, 1971, was a reasonable request and that we are short-changing the veterans by saying to them that their increase is going to be only 10 per cent and that it will not be effective until April 1, 1971. I hope that these payments can be made sooner. It seems to me that this piece of legislation ought to be dealt with before we rise for the Christmas recess.

With respect to the proposed increase in the war veterans allowance payments, the minister emphasized that the increase in this area is 15 per cent. I suggest that despite that increase, we shall still be keeping these people below the poverty line. What bothers me most about the amendments proposed to the War Veterans Allowance Act is that the ceiling on the total income that recipients of the war veterans allowance can have has been raised, not by the 15 per cent that applies to the allowance itself, but by a figure of only 11 per cent in the case of single veterans, and by only 10 per cent in the case of married veterans.

I ask hon. members to listen for a moment to what this produces by way of a result in actual dollars. Under the legislation as it now stands, it is possible for a single veteran to have, by combining his pension, his war veterans allowance and his old age security pension, an income equal to $40 more than is the case for a non-veteran receiving the old age security pension and the guaranteed income supplement. I think that is as little as it ought to be. Yet in this proposal, the single veteran will be allowed only $26 more than is allowed to a person receiving the old age security pension and guaranteed income supplement. In the case of a married veteran at the present time, the ceiling is such that he can receive $30 more than the married person who is a non-veteran. That figure is being reduced to $16. I submit, Mr. Speaker, that is a case of short-changing. It is not good enough.

I hope when we get into the details of this bill, whether in Committee of the Whole House or in the Standing Committee on Veterans Affairs, that at least we will be able to get those ceilings changed. The most difficult part of the War Veterans Allowance Act is its ceilings. I know that it is difficult not only for the veterans but also for the administration, and it seems to me that at least the same percentage that was applied to the number of dollars being granted should apply to the ceiling. I think we might even go further. The two matters I hope we will deal with before this legislation is disposed of are the ceilings on total income in the War Veterans Allowance Act and the effective date of both of the proposed changes. April 1 is too far away. Many veterans will not live to see the increase.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, the bill the hon. minister commented on just now purports to increase veterans' pensions.

The bill is certainly timely and I welcome it as requests for an increase of veterans' pensions have been made over a long period. I remember that several times, on behalf of my colleagues, I urged the government to review the relevant regulations in order to improve the pensioners' situation.

Our suggestion and representations have at last had concrete results. This increase in veterans' pensions is not a luxury and it will certainly not make millionaires of our veterans. We are convinced however that this adjustment will be an appreciable improvement, because under the amendment to the regulations as a result of the passage of this legislation, the higher pensions will surely increase the purchasing power of the veterans who greatly need it.

This is why we are vigorously supporting the proposals of the government, but following consideration of the bill, we will perhaps move some amendments to improve it.

At any rate, I am convinced that Canada will not be poorer, once the rights of those people who fought for freedom are recognized.

I can speak on good ground, because a number of veterans and present members of the armed forces living in my constituency have often asked me to make representations to the authorities, in order to improve their lot. When we hear statements such as the one made today, we must co-operate and be pleased with the fact that the government has finally decided to do something really worthwhile.

* * *

[*English*]

AUDITOR GENERAL

ALLEGED CONSPIRACY TO DESTROY OFFICE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker, under Standing Order 43 I ask the unanimous consent of the

House to make a motion without notice. The urgent circumstances are that it is unfortunately clear that this government is determined to destroy by both open and devious means the office of the Auditor General.

Some hon. Members: Oh, oh!

Mr. Baldwin: Despite the cries of outrage from taxpayers and political commentators, Bill C-190 remains on the order paper even though it is offensive to all members of this party, other members of the House and 99 per cent of the people of Canada.

Some hon. Members: Hear, hear!

• (2:30 p.m.)

Mr. Baldwin: However despicable this legislative bludgeoning of a parliamentary officer, it is almost equalled by the attack on his effectiveness through the deliberate red-circling and downgrading of his key staff members.

Some hon. Members: Hear, hear!

Some hon. Members: Order!

Mr. Speaker: Order, please. The President of the Privy Council seeks the floor on a point of order.

Mr. MacEachen: Mr. Speaker, I understand the importance of the Standing Order under which the hon. member seeks the unanimous consent of the House to move a motion and I have no objection to the debating material which he has imported into what ought to be an economical method of informing the House as to his intentions. Of course, the danger is that if debating material, charges against the government, argumentation and, at some points, hysterical outbursts are permitted under this procedural rule, it will be necessary for this side of the House to ask for an opportunity to reply.

Some hon. Members: Hear, hear!

Mr. MacEachen: If it is to be admitted that debating material can be used and developed at this point, then fairness would require that members of the government should have an opportunity to reply in a similar way, debating equally. That is my point of order.

Some hon. Members: Then accept the motion.

Mr. Hees: On the point of order, Mr. Speaker, the minister has asked for a chance to debate this matter. All he has to do is give unanimous consent on that side of the House and he will get his debate right now.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Does the hon. member for Peace River wish to address the Chair on the point of order?

Mr. Baldwin: No, Mr. Speaker. I was just about ready to put the motion.

[Mr. Baldwin.]

Mr. Speaker: I should like to refer to the point of order raised by the President of the Privy Council. Hon. members who were in the House yesterday will recall that in similar circumstances I did indicate that I thought Standing Order 43 should not make it possible for hon. members to debate the substance of the subject they had in mind. The Standing Order is clear enough. A procedure has evolved recently since Standing Order 26 was amended perhaps by hon. members resorting to a procedural form which had been used over the years under Standing Order 26. In view of the fact that Standing Order 43 does not provide for a rebuttal I think the point made by the President of the Privy Council is well taken when he says that debating material should not be presented to the House by an hon. member seeking leave to propose a motion under Standing Order 43. However, I assume the hon. member for Peace River is now coming to his motion.

Mr. Baldwin: I was simply attempting to come within the words which require that urgent and pressing reasons for putting the motion should be established.

It is almost equalled by the attack on his effectiveness by the deliberate red-circling and downgrading—

Some hon. Members: Order, order!

Mr. Speaker: Order. I respectfully suggest that the hon. member proceed to the motion he has in mind as quickly as possible. I suggest to him that he cannot argue the substance of the matter at this time.

Mr. Baldwin: With all due respect, I am putting forward reasons why this motion should be placed before the House.

Some hon. Members: Hear, hear!

Mr. Baldwin: The last sentence is: The Auditor General is thus hampered in recruiting and retaining the skilled employees essential to his task.

The motion I wish to move is as follows:

That the President of the Treasury Board no longer enjoys the confidence of the House, and the conspiracy against the office of the Auditor General must cease immediately, and measures more in accord with his right to scrutinize on behalf of the taxpayers substituted for Bill C-190.

Mr. Speaker: The hon. member requires, of course, the unanimous consent of the House.

Mr. Hees: If you want a debate, say yes.

Mr. Speaker: I have to inquire whether there is unanimity which would allow the hon. member to put the motion.

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: I sense there is not unanimity. The motion cannot be put.

SALARY RANGE OF STAFF—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Doug Rowland (Selkirk): Mr. Speaker, I ask leave of the House to move a motion under Standing Order 43, by unanimous consent, in connection with a matter of urgent and pressing necessity. It is related to the subject which has just been discussed, and in view of the statements made in that connection I will omit the preamble or explanatory statement and simply move, seconded by my hon. friend from Winnipeg North:

That the question of the salary range of the staff of the Auditor General be referred to the Standing Committee on Public Accounts, so that the committee might consider recommending that the said salary range be determined by parliament rather than by the Treasury Board.

Some hon. Members: Hear, hear!

Mr. Speaker: Hon. members have heard the motion which the hon. member for Selkirk seeks to propose. Again, the unanimous consent of the House is required.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: I have to advise that there is no unanimity and in these circumstances, by virtue of Standing Order 43, the motion cannot be put at this time.

* * *

COMMUNICATIONS

BELL CANADA RATE INCREASE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask the House to agree to a motion concerning Bell Canada.

Yesterday the Canadian Transport Commission again approved an increase in basic residential and business telephone rates amounting to approximately $22.5 million. It was only a year ago that the CTC approved increases requested by Bell Canada which added at that time $27.5 million to the company's revenues. The new decision means that Bell Canada will have an increase of $50 million in a year and will be able to earn a 7.5 per cent rate of return on invested capital compared with the maximum of 6.6 per cent allowed by the former Board of Transport Commissioners. It is obvious that the Canadian Transport Commission does not protect the people of Canada and continues to allow Bell Canada to milk the public.

Mr. Speaker: Order, please. I bring it to the attention of the hon. member, again with respect, that he should indicate the terms of his motion. Standing Order 43 will become difficult to accept as a workable Standing Order if hon. members do not take into account its limitations. Hon. members have the right, under the terms of this rule, to indicate briefly why there is urgency, why the matter they have in mind should be put now in preference to the ordinary business of the House, but I do not think they can import debate concerning the substance of the matter proposed for discussion in the suggested motion.

Bell Canada Rate Increase

Mr. Orlikow: I have completed the reasons for seeking unanimous consent. I will therefore move, seconded by my hon. friend from Winnipeg North Centre:

That the Standing Committee on Transport and Communications be authorized to meet forthwith and proceed as quickly as possible to investigate and analyse the activities of Bell Canada and its subsidiaries, and report back to the House as soon as possible.

• (2:40 p.m.)

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Winnipeg North.

[*Translation*]

This motion, proposed under Standing Order 43, requires the unanimous consent of the House. I must therefore ask hon. members whether they are all in agreement.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent.

[*English*]

Therefore the motion cannot be submitted at this time.

* * *

ELECTION EXPENSES

CONCURRENCE IN RECOMMENDATION IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. Hyl Chappell (Peel South) moved that the recommendation contained in the first report of the Special Committee on Election Expenses, presented to the House on Thursday, November 26, 1970, be concurred in.

Motion agreed to.

* * *

PENSION ACT AND CIVILIAN WAR PENSIONS AND ALLOWANCES ACT

PROVISION OF INCREASES IN BENEFITS

Hon. Jean Eudes Dubé (Minister of Veterans Affairs) moved for leave to introduce Bill C-203, to amend the Pension Act and the Civilian War Pensions and Allowances Act.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

PUBLIC SERVICE PENSION ADJUSTMENT ACT PAYMENTS—SUPERANNUATION ACT PENSION DISCONTINUANCES

Question No. 67—**Mr. Knowles (Winnipeg North Centre):**

1. In each year since the Public Service Pension Adjustment Act of 1959 was passed, how many persons have received payments thereunder?

Questions

2. In each of the above years, what was the total amount paid out under the said Act.

3. In each of the above years, what was the average amount paid under the said Act (a) to retired public servants (b) to widows (c) to others?

4. In each of the last five years, either calendar or financial, for which statistics are available, how many pensions under the Public Service Superannuation Act (a) to retired public servants (b) to widows of public servants or widows of retired public servants, have been discontinued because of the death of the superannuate?

Hon. James Richardson (Minister of Supply and Services): 1. Number of persons who have received payments in each year since the Public Service Pension Adjustment Act of 1959 was passed:

Year	Number
1959-60	14,311
1960-61	13,885
1961-62	12,553
1962-63	11,709
1963-64	10,852
1964-65	10,077
1965-66	9,078
1966-67	8,162
1967-68	7,483
1968-69	6,860
1969-70	6,651

2. Total amount paid out under the Public Service Pension Adjustment Act for each of the above years:

Year	Total
1959-60	$3,112,231.
1960-61	2,956,515.
1961-62	2,817,263.
1962-63	2,657,706.
1963-64	2,504,503.
1964-65	2,344,711.
1965-66	2,236,212.
1966-67	2,038,329.
1967-68	1,905,478.
1968-69	1,777,869.
1969-70	1,641,304.

3. Average Amount Paid Out To:

Year	Retired Public Servants	Widows	Others
1959-60	$226.72	$124.88	$12.32
1960-61	225.43	124.42	11.79
1961-62	222.01	123.92	10.35
1962-63	220.66	123.59	10.06
1963-64	220.26	123.75	7.99
1964-65	217.94	123.08	6.19
1965-66	216.03	122.69	7.13
1966-67	212.52	122.64	5.93
1967-68	210.27	121.27	6.11
1968-69	208.19	119.21	4.56
1969-70	196.52	125.05	5.79

[Mr. Knowles (Winnipeg North Centre).]

4. In each of the last five years, the number of pensions paid under the Public Service Superannuation Act which have been discontinued because of death:

(a) To Retired Public Servants:		(b) To Widows:	
1965-66	1,489	1965-66	382
1966-67	1,523	1966-67	508
1967-68	1,572	1967-68	503
1968-69	1,751	1968-69	514
1969-70	1,899	1969-70	508

DUMPING OF NERVE GAS IN THE ATLANTIC OCEAN BY THE UNITED STATES

Question No. 88—**Mr. Howard (Skeena):**

Did the Government of Canada make any representations to the Government of the United States regarding the latter's action of dumping 3,000 tons of nerve gas rockets in the Atlantic Ocean and, if so, what was the nature of these representations?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The Government of Canada did not make any representations to the Government of the United States on this matter. Shortly after the United States intention to dump nerve gas rockets in the Atlantic became known, a team of Canadian scientific experts, including oceanographers and marine biologists, made a careful analysis of the technical aspects of the matter. The principal conclusions of these experts were: (a) Given the properties of cement under pressure, it was unlikely that the concrete vaults encasing the rockets would be ruptured; (b) Even if a sudden release of the gas should indeed occur, the local effect would be limited to a relatively small area for a period of less than a day; (c) Because of the rapid decomposition of the gas in salt water, there would be no effect on the surface. A high level team of British experts arrived at similar conclusions in an independent study. In the light of these technical findings it was concluded that there was no demonstrable risk to Canadians or Canadian territory. In these circumstances, and taking into account all relevant aspects of current international law, it was decided that no sufficient legal basis existed for Canada to make a protest against the proposed action.

COMPUTER SERVICES BUREAU—ADVISABILITY OF TENDERING WORK TO INDEPENDENT FIRMS

Question No. 166—**Mr. Robinson:**

Will the government consider the advisability of tendering the work of the Computer Services Bureau to independent firms and, if so, what economies are anticipated?

Hon. James Richardson (Minister of Supply and Services): Government departments and agencies have the option of using commercial, university, other Government departments' computer facilities or the Computer Services Bureau in order to satisfy their computing needs. In making their demand for services through the Computer Services Bureau they indicate which facilities are to be used and, in the case of services outside the Government, they inform the Bureau of the tendering or negotiations they have already made with the indi-

vidual companies. The Computer Services Bureau enters into contracts for these services. It makes payment for the use of all these computer services and in turn recovers the full cost from the department or agency concerned.

PROCEDURE FOLLOWED BY RCMP REGARDING INQUIRIES FROM FBI CONCERNING DESERTERS

Question No. 207—**Mr. Gilbert:**

What procedure is followed by the Royal Canadian Mounted Police regarding inquiries from the United States Federal Bureau of Investigation concerning deserters from the United States Forces?

Hon. G. J. McIlraith (Solicitor General): Upon receipt of an inquiry from the Federal Bureau of Investigation, an investigation is conducted to determine if the person concerned is in Canada in violation of the Immigration Act. If so, this fact is drawn to the attention of the Immigration Department.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—MAN-HOURS SAVED BECAUSE OF UTILIZATION OF COMPUTERS

Question No. 218—**Mr. Robinson:**

How many man-hours have been saved as a result of the utilization of computers by the Department of Indian Affairs and Northern Development during each year since computers have been used?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Detailed estimates of man hours saved as a result of the utilization of computers by the Department of Indian Affairs and Northern Development are not maintained. In general, the use of computers has improved and extended the analytical techniques of the planning, research and management components of the Department without the recruitment of large clerical staffs.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—LAY-OFFS AND HIRINGS BECAUSE OF UTILIZATION OF COMPUTERS

Question No. 219—**Mr. Robinson:**

As a result of the use of computers by the Department of Indian Affairs and Northern Development how many employees have been (a) laid off (b) hired?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): (a) No employee has been laid off by this Department as a result of the use of computers. (b) As of November 18, the Department employed 27 analysts, programmers and auxiliary equipment operators.

UTILIZATION OF ARMORIES AS YOUTH HOSTELS

Question No. 254—**Mr. Robinson:**

1. How many armories were utilized as youth hostels during the Summer of 1970?

2. How many youths used the armories for shelter during the Summer of 1970?

3. What was the cost of providing the service at the armories for youths?

4. Will the plan be continued in 1971?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. 13 (2 in Vancouver).

2. Approximately 69,202 bed nights.

3. $155,000.

4. At this time the government is in the process of evaluating the 1970 summer emergency hostel programme and no plans have been formulated to date for a similar programme during the summer of 1971.

[*English*]

*SEAWAY TOLLS

Question No. 274—**Mr. Southam:**

To hold Seaway Tolls at their present level, is it the government's intention to follow the recent legislative action in the USA where Congress would forgive a large interest debt, provide for tax rebates and other debt-forgiving features with a view to placing the seaway on a sound financial footing?

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The St. Lawrence Seaway Authority advises as follows: A decision has not yet been taken on this issue, but this and similar views will be taken into consideration.

[*English*]

YARMOUTH AIRPORT

Question No. 313—**Mr. Comeau:**

1. What amount of money has been spent over the past two years for the remodelling of Yarmouth Airport?

2. Are any monies allocated for the continued remodelling of this Airport during the next three years?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. $145,000.

2. No.

VISCOUNTS, DC-8'S AND DC-9'S

Question No. 331—**Mr. Fortin:**

How many Viscount DC-8 and DC-9 aircraft did Air Canada operate in each year 1965 to 1970 inclusive?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows:

Number of aircraft in operation

	Summer Peak (August)			Year End		
	Viscount	DC-9	DC-8	Viscount	DC-9	DC-8
1965	39	0	16	39	0	16
1966	39	6	18	39	6	18
1967	39	13	18	37	18	21
1968	38	27	24	33	30	27
1969	31	33	31	28	33	32
1970	28	36	38	23	36	38

Questions

ALASKA HIGHWAY CONTRACT

Question No. 340—**Mr. Nielsen:**

1. Did the government call for tenders for the clearing, grading and sub-base from approximately Mile 900 to approximately Mile 930 on the Alaska Highway in preparation for paving and, if so, what are the names of the contractors who submitted bids and the amount of each such bid?

2. Was the contract awarded to the lowest bidder?

3. Was the contract later renegotiated with the contractor and, if so (a) were public tenders invited before such renegotiation (b) what was the difference between the contractor's initial bid and the renegotiated price for the work?

4. What was the final amount paid by the government to the contractor for this work?

Hon. Arthur Laing (Minister of Public Works): 1. Yes, tenders were called on May 1, 1969, from Mile 909.2 to Mile 928.5.

Contractor	Amount
Nanaimo Bulldozing Co. Ltd.	$ 961,584.00
Poole Engineering Co. Ltd.	1,023,822.00
Hirtz Bros. Construction Ltd.	1,153,361.00
General Enterprises Ltd.	1,241,351.24
Dawson Construction (Northern) Ltd.	1,257,299.00
Cattermole-Trethewey Contractors Ltd.	1,319,020.00
Peter Kiewit Sons Co. of Canada	1,407,536.00

2. Yes.

3. The original contract covered from Mile 909.2 to Mile 928.5. By the authority of Treasury Board Minute 691059 of July 30, 1969 the contract was extended to include from Mile 904.5 to Mile 909.2 at the same unit price for an estimated additional $375,000.

4. The final amount paid was $1,522,586.54, which includes $186,002.54 consisting of overruns of estimated quantities paid at contract unit prices and minor contingency work paid for under the terms of the contract.

DEPARTMENT OF TRANSPORT—LAY-OFFS AND HIRINGS BECAUSE OF USE OF COMPUTERS

Question No. 341—**Mr. Robinson:**

As a result of the use of computers by the Department of Transport how many employees have been (a) laid off (b) hired?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): As a direct result of the use of computers by the Ministry of Transport, there has been no staff lay-offs and 51 people have been hired.

DEPARTMENT OF TRANSPORT—MAN-HOURS SAVED BECAUSE OF UTILIZATION OF COMPUTERS

Question No. 342—**Mr. Robinson:**

How many man-hours have been saved as a result of the utilization of computers by the Department of Transport during each year since computers have been used?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): No direct estimate is possible of the total number of man-hours that have been saved in the Ministry of Transport as a result of the introduction of computers. This is due to the fact that the largest proportion of the comprehensive analysis of data done by electronic computers, both in the operational and statistical fields, could not have been tackled by manual or desk calculator methods.

[Mr. Duquet.]

VETERANS—DISABILITY PENSIONS

Question No. 357—**Mr. MacRae:**

1. As of October 31, 1970, how many veterans are in receipt of Disability Pensions?

2. Exclusive of the Attendance Allowance, how many veterans are in receipt of $5,496 a year or more?

3. Were War Veterans Allowances increased in 1965 as stated in *Hansard* on page 624 of October 27, 1970?

4. What is the average amount received annually by War Disability Pensioners (exclusive of Attendance Allowance)?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): 1. 131,636.

2. 97.

3. These increases were announced on November 10, 1964, and were incorporated into the War Veterans Allowance Act on June 10, 1965. Their effective date was September 1, 1964.

4. Pensions are paid in twenty different classes, depending upon the degree of disability. The annual liability stands at $151,667,982. On this basis the average for all classes together, exclusive of attendance allowance, is $1,110.

LIBERIAN TANKER "ARROW"—COST OF CLEAN UP OPERATIONS

Question No. 376—**Mr. Robinson:**

1. Will the government consider the advisability of suing the owners of the Liberian tanker *Arrow*, Sunstone Marine S.A. of Panama, Aristotle Onassis, Imperial Oil Company and any others for the cost of the pollution cleanup?

2. Has the government been formally contacted by Imperial Oil for contribution towards payment of the company's expenditures for the cleanup operations resulting from the tanker *Arrow*?

3. Will the government be reimbursed through "TOVALOP" for the costs of the cleanup operation of the *Arrow*?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. Law officers of the Crown and special Counsel are considering all avenues open to the Crown in the case of the Liberian tanker *Arrow* including the prospects of suing any person responsible at law for pollution cleanup costs.

2. No.

3. In part only, as recovery under "TOVALOP" is limited to recovery at a rate of $100 (U.S.) per gross registered ton shareable on a pro rata basis between owner and government. "TOVALOP" is purely a voluntary scheme and the acceptance of payment thereunder by the government would constitute a bar to any other action.

DEPARTMENT OF COMMUNICATIONS—LAY-OFFS AND HIRINGS BECAUSE OF USE OF COMPUTERS

Question No. 378—**Mr. Robinson:**

As a result of the use of computers by the Department of Communications how many employees have been (a) laid off (b) hired?

Hon. Eric W. Kierans (Minister of Communications): (a) Nil; (b) five permanent employees; 10 part-time employees.

INSCRIPTION ON BANK NOTES ISSUED BY BANK OF CANADA

Question No. 391—**Mr. Caouette:**

1. Of all bank notes issued by the Bank of Canada bearing the inscription "The Bank of Canada will pay to the bearer on demand" (a) what does the inscription mean (b) what will the Bank of Canada pay (c) will it remit gold to the bearer (d) will it remit bills of another denomination (e) how long have the bills borne this inscription?

2. Of the new twenty dollar bills issued in 1969 by the Bank of Canada bearing the inscription "This note is legal tender" (a) what does the inscription mean (b) is this bill backed by gold and, if not, on what is it based (c) what difference is there between these new bills and the others which are outstanding and which are only promises to pay (d) for what reasons has the Bank of Canada made the change?

Hon. E. J. Benson (Minister of Finance): 1. (a) Prior to the amendment of the Bank of Canada Act in 1967, Section 21 (1) of the Act provided that notes should be payable to bearer on demand. (b) and (c) Prior to the amendment of the Bank of Canada Act in 1967, Section 22 (1) of the Act provided that "The Bank shall sell gold to any person who makes demand therefor at the head office of the Bank and tenders the purchase price in legal tender, but only in the form of bars containing approximately four hundred ounces of fine gold". Prior to the amendment of the Bank of Canada Act in 1967, Section 22 (2) of the Act provided that the Governor in Council, from time to time and for such period as he may deem desirable, may suspend the operation of subsection (1) and remove such suspension, and under this authority the operation of Section 22 (1) of the Act was suspended annually by Order-in-Council. (d) Yes. (e) Since 1935.

2. (a) The inscription "this note is legal tender" appears on the new $20 Bank of Canada note in conformity with Section 7 of the Currency, Mint and Exchange Fund Act as amended in 1967. (b) No. Section 21 (1) of the Bank of Canada Act provides that notes shall be a first charge on the assets of the Bank. (c) There is no difference between the new issue of the $20 denomination and the previous issues in respect of their designation as legal tender. (d) To conform with the amended provisions of the Bank of Canada Act and the Currency, Mint and Exchange Fund Act.

DEPARTMENT OF PUBLIC WORKS—LAY-OFFS AND HIRINGS BECAUSE OF USE OF COMPUTERS

Question No. 393—**Mr. Robinson:**

As a result of the use of computers by the Department of Public Works how many employees have been (a) laid off (b) hired?

Hon. Arthur Laing (Minister of Public Works): (a) None; (b) 11.

DEPARTMENT OF PUBLIC WORKS—MAN-HOURS SAVED BECAUSE OF UTILIZATION OF COMPUTERS

Question No. 394—**Mr. Robinson:**

How many man-hours have been saved as a result of the utilization of computers by the Department of Public Works during each year since computers have been used?

Hon. Arthur Laing (Minister of Public Works): There has been no direct savings in man-hours resulting from the use of computers. However their use has contributed to the provision of complex information which would have required additional man-hours had computers not been used.

WATER SYSTEM IN CARLING, NFLD.

Question No. 417—**Mr. Marshall:**

Has the Province of Newfoundland made application to DREE for funds to provide a water system in Curling, Newfoundland and, if so (a) has a decision been reached (b) what was the decision?

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): No formal application has been received. (a) and (b) Not applicable.

PASSPORTS ISSUED

Question No. 423—**Mr. McCleave:**

1. Up to the end of September, how many passport applications were processed this year at each office issuing same, identifying the offices?

2. How many passports in that time were issued to applicants from Atlantic Canada?

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): 1. Up to the end of September, 1970, 335,178 passports were issued this year at offices in Canada as follows: Ottawa, 252,820; Toronto, 36,400; Montreal, 31,838; Vancouver, 14,120.

2. The Passport Office does not keep precise records of the province of origin of passport applications. However, a sampling of passport applications received in the first nine months of 1970 indicated that slightly less than 3 percent of passport applications originated in the Atlantic provinces of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland.

*ADMISSION OF LANDED IMMIGRANTS TO CANADA WITHOUT SECURITY CHECKS

Question No. 488—**Mr. Diefenbaker:**

How many landed immigrants in each year 1966 to 1969 inclusive and 1970 to date have been admitted to Canada without being subject to security checks?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): All immigrants to Canada are subject to checks and examinations to determine whether they come within any of the categories of prohibited persons described in the Immigration Act, including those pertaining to security. However, these checks and examinations are waived in the case of individuals such as minor children, wives of Canadian residents and aged parents unless there are reasons to believe that they should also be subjected to the more detailed type of check normally carried out. There is no way of determining how many immigrants may have been admitted where such detailed checks were not made.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

RETIRED FEDERAL CIVIL SERVANTS PENSIONS—WIDOWS PENSIONS

Question No. 65—**Mr. Knowles (Winnipeg North Centre):**

1. How many retired federal civil servants are receiving pensions, including their basic pensions and any supplement or supplements added thereto, of amounts within each of the following brackets: (a) less than $20.00 per month (b) $20.00 to $29.99 per month (c) $30.00 to $39.99 per month (d) $40.00 to $49.99 per month (e) $50.00 to $59.99 per month (f) $60.00 to $69.99 per month (g) $70.00 to $79.99 per month (h) $80.00 to $89.99 per month (i) $90.00 to $99.99 per month (j) $100.00 to $149.99 per month (k) $150.00 to $199.99 per month (l) $200.00 to $249.99 per month (m) $250.00 to $299.99 per month (n) $300.00 per month and over?

2. How many widows of civil servants or of retired civil servants are receiving pensions, including their basic pensions and any supplement or supplements added thereto, of amounts within each of the brackets indicated in the above question?

3. What is the number of retired civil servants and also the number of widows of civil servants or of retired civil servants presently residing in each province?

4. In respect of how many orphans of federal civil servants are pensions being paid and what is the average amount thereof?

Return tabled.

FARM ANNEX AT ST. VINCENT DE PAUL PENITENTIARY

Question No. 202—**Mr. Howard (Skeena):**

1. Has the government taken steps to close any parts or divisions of the farm annex at the St. Vincent de Paul Penitentiary and, if so, which parts or divisions, by name, have been closed and for what reason?

2. With respect to each such division for each of the past five years, is it considered that the operation thereof was profitable and, if so, what are the financial statistics with respect thereto?

3. For each of the past five years and for each of the commodities raised at the farm annex, to what extent has the cost of production been (a) above (b) below the market price?

4. Within the past five years, has any stock of cans been scrapped or discarded and, if so (a) how many such cans were discarded (b) what was the value thereof (c) what were the reasons for discarding them?

5. Within the past five years (a) were any commodities transported to any place for canning and, if so (i) which ones (ii) in what quantities (iii) at what cost (b) were they transported to any place from the point of canning and, if so (i) where (ii) at what cost?

6. Who did the canning referred to in part 5?

7. Is any acreage at the farm annex lying idle and, if so (a) what number of acres (b) for what reason?

Return tabled.

STORAGE OF GASOLINE AND OIL IN THE NORTH

Question No. 320—**Mr. Robinson:**

1. Does the federal government have any portable gasoline or oil tanks for use in the North?

2. What plan does the federal government have for storage of collapsible tanks for oil and fuel?

3. Will the federal government consider the feasibility of requiring the storage of gasoline and oil in collapsible storage tanks as a safety measure?

Return tabled.

Mr. Coates: Mr. Speaker, on a point of order, my starred question No. 12 has been on the order paper since October 8, along with 24 other questions I have on the order paper at the present time, none of which have been answered. Starred question No. 12 was on the order paper during the last session of Parliament as well. I see no reason for this long delay in answering the question. I would ask the hon. member to try to secure an answer for me.

Mr. Jerome: Mr. Speaker, may I say that this year we have made every effort to keep a close check on questions and to determine, if questions are not answered, whether there is some reason for the delay. Several departments are involved at times when answers are compiled and we do try hard to keep on top of them. I will certainly take notice of the hon. member's remarks.

Mr. Orlikow: Mr. Speaker, starred question No. 80 was also put on the order paper on October 8. Starred questions should be answered fairly quickly. Starred question No. 80 was also on the order paper last session, having been placed there on February 20. It has now been on the order paper for nine months.

The question is a simple one. It asks the Minister without Portfolio responsible for Information Canada whether he would table in Parliament the background studies and consultant reports which were prepared by the task force on government information and by the Privy Council. If the answer is going to be no, then it does not take nine months to say no. If it is going to be yes, we should have had the answer by now. I would ask the minister to get busy on the job.

Mr. Stanbury: Mr. Speaker, I would be glad to answer a question that is within my power to answer, but this question should be directed to the Privy Council.

Mr. Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

MOTION TO ADJOURN UNDER S.O. 26

AUDITOR GENERAL

DOWNGRADING OF POSITIONS OF SENIOR OFFICERS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I ask leave under Standing Order 26 to move the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the action of the Treasury Board in downgrading the senior officer positions in the Auditor General's office as a result of which most of the 28 senior officers have individually lost $2,400 per year since July 1, 1967, a period when most public servants were receiving raises. This sinister attack on the office of the Auditor General which impairs the efficiency of his important office ought to be debated forthwith.

Mr. Speaker: The hon. member for Calgary North has filed a notice of his intention to propose a motion under Standing Order 26. I have given very serious consideration to the matter and have considered all the procedural aspects of the motion. The hon. member for Calgary North proposes that the business ordered for today be set aside so that the House may debate Treasury Board decision affecting the remuneration of senior officials of the Auditor General's office, going back to July 1, 1967. The hon. member charges that the efficiency of the Auditor General's office has been impaired as a result of such action by Treasury Board.

Hon. members know the criteria which must guide the Chair in relation to Standing Order 26. I must determine whether the subject matter sought to be discussed can be termed an emergency. The word "emergency" used in relation to Standing Order 26 has always been interpreted to refer to a sudden occurrence, a newly arising situation which, because of that aspect, requires the immediate, urgent consideration of the House.

Is this requirement met in the circumstances indicated by the hon. member for Calgary North? This is obviously a very important matter and one which is or should be of interest and concern to all hon. members; and there is an aspect of immediacy in the sense that relevant evidence has just been heard by the public accounts committee. On the other hand, the situation referred to in the proposed motion goes back to July, 1967.

It is hardly necessary to remind the House that the Auditor General's relation to the government has been brought to the attention of the House on a number of occasions in recent months. In particular, the matter was raised on April 6 last by the hon. member for Peace River, also under the provisions of Standing Order 26. On April 13 the hon. member for Nanaimo-Cowichan-The Islands again brought the situation to the attention of the House, at that time by way of a question of privilege. The hon. member's motion is based on a submission that there was an attempt to "harass and intimidate the Auditor General".

Motions for Papers

The Chair also has to take into account the possibility that the matter might be debated in other circumstances. The House has before it at the present time the bill that was referred to a moment ago by the hon. member for Peace River. The Auditor General's report is now before the Public Accounts Committee and it can be reasonably assumed by the Chair that in due course the committee's report will be debated in the House. What is perhaps even more relevant is that the budget debate will take place very soon. While I agree the matter is an important and urgent one which hon. members may wish to debate, for all these reasons I suggest such a debate should take place as part of a discussion on a substantive motion rather than within the somewhat limited framework provided under Standing Order 26.

• (2:50 p.m.)

MOTIONS FOR PAPERS

[*Translation*]

Mr. J. A. Jerome (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, notices of motions Nos. 46 and 111 are acceptable to the government subject to the usual reservations concerning confidential documents and to the authorization of the government concerned.

[*English*]

OIL AND GAS LAND REGULATIONS IN YUKON AND NORTHWEST TERRITORIES

Motion No. 46—**Mr. Orlikow:**

That an Order of the House do issue for copies of all representations received by the Department of Indian Affairs and Northern Development regarding the revision of Canada's Oil and Gas Land Regulations in the Yukon and Northwest Territories.

Motion agreed to.

CORRESPONDENCE RELATING TO A NATIONAL PARK IN THE SHIP HARBOUR AREA, HALIFAX COUNTY

Motion No. 111—**Mr. Forrestall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all proposed plans, together with descriptions and correspondence between the Government of Canada and the Province of Nova Scotia with respect to a National Park in the Ship Harbour area of Halifax County.

Motion agreed to.

[*Translation*]

Mr. Jerome: Mr. Speaker, would you be so kind as to call notices of motions Nos. 8, 13, 23, 31, 55, 89, 101 and 102?

Motions for Papers

[*English*]

SUBMISSION TO DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS BY CANADIAN FINANCIAL INSTITUTIONS

Motion No. 8—**Mr. Saltsman:**

That an Order of the House do issue for copies of all returns submitted to the Department of Consumer and Corporate Affairs by Canadian financial institutions regarding information on consumer loan intentions in 1970 as requested by the Department.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, the information on advertising budgets for the promotion of consumer loans was forwarded to us on the explicit understanding that the confidentiality of individual returns would be respected. Under the circumstances I would ask the hon. member to withdraw his motion.

Mr. Saltsman: On a point of order, Mr. Speaker, unless I read this improperly I have asked for returns by financial institutions regarding information on consumer loan intentions rather than advertising. Would the minister check the item?

Mr. Speaker: It will be allowed to stand for the moment.

Mr. Basford: In that case there is no such information and I would ask for this reason that the hon. member withdraw the motion.

Mr. Saltsman: I am not prepared to accept that at the moment.

Mr. Speaker: Is the motion to be put or transferred?

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

INTERNATIONAL DRUG COMPANIES—CORRESPONDENCE PROVIDED BY UNITED STATES ON ANTI-COMBINE MATTERS

Motion No. 13—**Mr. Saltsman:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, memoranda, etc., provided to the Department of Consumer and Corporate Affairs by the United States Justice Department on anti-combines matters related to international drug companies and the price of quinine.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, it would not be in the public interest to disclose confidential communications between my department and the United States Justice Department relative to anti-trust investigations because such disclosure could prejudice an anti-trust inquiry in either or both countries. For these reasons I would ask the hon. member to withdraw his motion.

Mr. Saltsman: Mr. Speaker, I do not see how that could possibly be accepted as a reason. The public is entitled to the information I have asked for.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

[Mr. Jerome.]

SPEECH BY DIRECTOR, RCMP SECURITY AND INTELLIGENCE BRANCH

Motion No. 23—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the speech delivered to the Canadian Society for Industrial Security, in Toronto, by John K. Starnes, Director of the RCMP's Security and Intelligence Branch.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am informed by the Solicitor General as follows:

The remarks in question, made at a private meeting from which the press and public were specifically excluded, were given from notes and no text is available. A quite inaccurate and garbled version of a part of the discussion subsequently was published in the press, having been obtained in an unauthorized and unusual manner.

Mr. Speaker: Order, please. The hon. member should indicate whether or not there is a document which can be tabled.

Mr. Jerome: As no such document is available I would ask the hon. member to withdraw his motion.

Mr. Orlikow: Mr. Speaker, as I do not wish the leading official of the RCMP to be misrepresented I should like that information.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

ANALYSIS OF MANPOWER UTILIZATION OF THE MANITOBA GARMENT INDUSTRY

Motion No. 31—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the study by Summerour and Associates Inc., Atlanta, Georgia, undertaken for the Department of Manpower and Immigration regarding the "Analysis of the Manpower Utilization of the Manitoba Garment Industry".

Mr. Jerome: Stand.

Motion stands.

STUDENT SUMMER EMPLOYMENT

Motion No. 55—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the plan of the special task force to study the question of summer jobs for students as stated by the Minister of Manpower and Immigration in his address to the Canadian Vocational Association on May 23, 1969.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move this motion on behalf of the hon. member.

Mr. Jerome: Stand.

Motion stands.

CANADIAN NATIONAL RAILWAYS PENSION TRUST FUNDS, 1935 TO 1968

Motion No. 89—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the financial statements filed by the Canadian National Railways in respect to the Canadian National Railways Pension Trust Funds for the years 1935 to 1968 inclusive.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move this motion on behalf of the hon. member.

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the government is prepared to file the required documents for the years 1967, 1968 and 1969 inclusive. Prior to the Pensions Benefits Standard Act, as passed on October 1, 1967, there was no requirement for filing such documents. The government is prepared to table the aforementioned documents subject to the conditions stated.

Mr. Knowles (Winnipeg North Centre): That will be agreeable.

Mr. Speaker: Subject to the reservations and conditions expressed by the Parliamentary Secretary, is it the pleasure of the House that Notice of Motion No. 89 be deemed to have been adopted.

Some hon. Members: Agreed.

Motion agreed to.

CORRESPONDENCE DEALING WITH HUMAN RIGHTS AND CIVIL LIBERTIES

Motion No. 101—**Mr. Rowland:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence between the Government of Canada and provincial governments commencing June 25, 1968 (a) dealing with the subject of the endorsation of the Universal Declaration of Human Rights (b) seeking co-ordination in the field of Human Rights and Civil Liberties.

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Monsieur l'Orateur, as regards paragraph (a) of the notice of motion, there was no correspondence with the provincial governments in this matter.

As regards paragraph (b), it is not customary to table correspondence between the federal government and the provincial governments, as is the case at the present time in the field of the bill of rights and civil liberties. I would therefore ask the hon. member to withdraw his motion.

[*English*]

Mr. Rowland: In that case, Mr. Speaker, I have very little choice, but I think it reprehensible that there has not been correspondence dealing at least with (a).

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

Inquiries of the Ministry

FEASIBILITY STUDY RELATING TO CANADIAN PARTICIPATION IN UNITY ROAD IN NIGER

Motion No. 102—**Mr. Rowland:**

That an Order of the House do issue for a copy of the feasibility study related to Canadian participation in the Unity Road in Niger.

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the consultants' study concerning Unity Road is a privileged document drafted to help the Canadian government in its development aid negotiations with the government of the Republic of Niger. Making this study public would destroy the confidence between the two governments.

Therefore, I would ask the hon. member to withdraw his motion.

[*English*]

Mr. Rowland: Agreed.

Order discharged and motion withdrawn.

Mr. Speaker: Shall the remaining Notices of Motions stand?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

INFLATION—ABANDONMENT OF WAGES AND INCOMES GUIDELINE POLICY—NEW INCOMES POLICY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance whether the government accepts the recommendation of the Prices and Incomes Commission against a guideline policy for the year 1971 and, if so, is this decision based upon the government's view that such a policy is unworkable or, on the other hand, because it is unnecessary?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, as one has seen in the press, the Prices and Incomes Commission came to the conclusion yesterday that it would not be possible to have industry agree to guidelines with labour not agreeing to guidelines on the other side. In the specific position they were in the commission decided they would carry on with the method of investigating particular price increases and particular wage increases and report to the government and the government would, of course, make these available to the public for their information, or the government's opinion would be made known to the public.

Mr. Stanfield: Mr. Speaker, now that the Prices and Incomes Commission has adopted the position of a study group, may I ask the Minister of Finance whether the government proposes through any other medium to establish an incomes policy through consultation involving the government, business and labour, or are we left

simply with the alternatives mentioned in the chairman's review unacceptable unemployment, unacceptable inflation or compulsory wage and price controls?

Mr. Benson: Mr. Speaker, the present situation is that Canada has a record better than that of any other western country in controlling inflation. I think this is agreed by the OECD and many other authorities. In respect of how we must proceed from here with regard to fiscal and monetary policy, I will be making our position known tomorrow night in my budget speech. How we proceed on the prices and incomes side is a matter for decision by the government, but no decision has been made at the present time.

INFLATION—SUGGESTED MEETING OF PRIME MINISTER AND LEADERS OF ORGANIZED LABOUR

Hon. George Hees (Prince Edward-Hastings): As the only chance of price restraint continuing into the next year rests on the slim hope that organized labour will agree to give its very necessary co-operation, will the Prime Minister even at this late date consider, as he has been urged to do many times during the past year, meeting with the leaders of organized labour in an effort to persuade them of the vital importance of giving their co-operation?

Mr. Woolliams: Let us have an answer.

Mr. Speaker: Order, please. The hon. member has already asked a supplementary question. Has he a further supplementary question?

Mr. Hees: May I put my question in a different way so as to make it easier for the Prime Minister to answer. Would the Prime Minister give consideration to putting his duty to the economy ahead of his fear of a rebuff and stop helping to push price restraint down the drain?

Mr. Speaker: Order, please.

INFLATION—ABANDONMENT OF WAGES AND INCOMES GUIDELINE POLICY—NEW INCOMES POLICY

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Minister of Finance whether the government is prepared to try to seek an incomes policy through some organization other than the Prices and Incomes Commission which, perhaps through no fault of its own, failed to secure the confidence of labour? Is the government prepared to seek such an arrangement directly or through some other means?

Hon. E. J. Benson (Minister of Finance): The Prices and Incomes Commission indicated yesterday what had resulted from its consultations with business. The government must consider now what steps it may be willing to undertake in the future. As I indicated previously, since last March the government has been easing substantially on the fiscal and monetary side. In the meantime, quite contrary to what my hon. friend was saying last March, the rate of increase of prices has come down in Canada.

[Mr. Stanfield.]

Some hon. Members: Oh, oh!

Mr. Benson: Yes, this has happened, quite contrary to his forecast. We are still concerned on the cost side in an expanding economy that we may move too much and put too much pressure on the economy and perhaps cause another inflationary cycle. The government must, of course, in its expansion policies consider this matter very carefully.

Mr. Hees: What expansion policies? You do not have any policy, expanding or otherwise, and you know it.

Mr. Speaker: Order, please.

* * *

PRICES AND INCOMES COMMISSION

PROVISION OF ADDITIONAL FUNDS IN SUPPLEMENTARY ESTIMATES

Mr. David Lewis (York South): I should like to ask a question related to the Prices and Incomes Commission and I direct it to the President of the Treasury Board. In view of the fact that the supplementary estimates which were tabled the other day do not contain any additional amounts for the commission, would he inform the House whether it is his intention to table additional estimates for the commission at some future date?

Hon. C. M. Drury (President of the Treasury Board): If the provision made in the main estimates for this operation by the end of the year turns out to be inadequate, it will then be necessary to table supplementary estimates.

Mr. Lewis: Do I understand then that the President of the Treasury Board has not yet been able to assess the expenditure resulting from the reduced role which the chairman of the commission announced yesterday and is therefore not in a position to inform us whether additional estimates will be necessary?

Mr. Drury: The conclusion that I am unable to inform the hon. gentleman now whether supplementary estimates will be necessary is quite right.

Mr. Lewis: I should like to direct a further supplementary question to the Minister of Consumer and Corporate Affairs or to the Prime Minister. In view of the fact that the Prices and Incomes Commission has obviously failed in its declared objectives and has lost credibility in most sectors—

Mr. Speaker: Order, please. The hon. member is obviously making a speech. He is debating an issue when he should ask a question.

Mr. Lewis: I have a question, Mr. Speaker. Is the minister considering abolishing the commission or at least firing its pontificating chairman?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): No, Mr. Speaker—

Mr. Speaker: Order, please.

[*Translation*]

FINANCE

FEDERAL INVESTMENT IN PUBLIC WORKS

Mr. Henry Latulippe (Compton): Mr. Speaker, I wish to direct a question to the Minister of Finance.

As unemployment is rising at an appalling rate, will the minister say whether he intends, with the agreement of the provinces, to make massive investments in various public works in Canada?

[*English*]

Hon. E. J. Benson (Minister of Finance): First of all, the premise is incorrect; second, the hon. member will have to wait for policies until the budget speech.

* * *

AUDITOR GENERAL

DOWNGRADING OF POSITIONS OF SENIOR OFFICERS

Hon. George Hees (Prince Edward-Hastings): I have a question for the President of the Treasury Board. In view of the great seriousness surrounding the situation concerning the Auditor General at the present time, would the government give serious consideration to reversing its decision to downgrade 28 members of the Auditor General's staff?

Hon. C. M. Drury (President of the Treasury Board): It is hard to give serious consideration to most of the hon. gentleman's suggestions. He is probably unaware, by reason of the poor attendance of his party at the committee meetings, that this particular topic is under discussion there.

Mr. Speaker: Order, please.

Mr. Hees: Since the minister refuses to answer my question I will ask him a supplementary question. Is not—

Mr. Speaker: Order, please. I recognize the hon. member for a supplementary question but it is difficult for the Chair to hear him.

Mr. Hees: Is not this move an attempt to do by indirect means what the government fears to do by direct means, simply a conspiracy to stifle the Auditor General, and will the government please cease—

Mr. Speaker: Order, please.

Mr. Eldon M. Woolliams (Calgary North): May I ask the minister whether he would be prepared to table any letters between his departmental officials, himself and the Auditor General in relation to the downgrading of the Auditor General and his staff at the present time?

Mr. Drury: Yesterday the Auditor General tabled such letters. May I point out, Mr. Speaker, that if the Opposition would just attend the meetings of the committee we would not have these questions.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Woolliams: I should like to ask the minister—

Mr. Speaker: Order, please. Is the hon. member for South Shore rising on a question of privilege?

Mr. Crouse: Yes, Mr. Speaker. The President of the Treasury Board has made allegations in the House which are not correct and I ask that they be withdrawn. I am a member of the Public Accounts Committee and as a member of the Official Opposition I, along with three of my colleagues, was in attendance at the meeting when the papers were tabled.

An hon. Member: Where were the others?

Mr. Crouse: Mr. Speaker, if you can quiet this babble of the rabble I will go on with my point of order.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Crouse: The government is trying to silence the Auditor General, but they are not going to silence me.

Some hon. Members: Hear, hear!

Mr. Crouse: During my 14 years here, I have made a point of trying not to interrupt other members, when they speak in the House.

Some hon. Members: Oh, oh!

Mr. Crouse: I would ask that members on the government side follow the same course if we are to have any decorum in this chamber. I wish to state that members of the Official Opposition were in attendance at the meeting yesterday to which the President of the Privy Council referred. I, therefore, ask him to withdraw the allegation that members of the Official Opposition were not in attendance at that meeting yesterday.

Mr. Drury: Mr. Speaker, if I made an allegation which was incorrect in fact, I hasten to correct it in any way necessary. Perhaps rather than referring to attendance I should have referred to the apparent lack of communication within their party.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. We will return now to the original question. The hon. member for Calgary North has the floor for a supplementary question.

Mr. Woolliams: I would like to ask—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Chair has recognized the hon. member for Calgary North on a supplementary question.

Mr. Woolliams: Mr. Speaker, I should like to ask the minister a question about the letters. Were all the letters between his department and the Auditor General in reference to the downgrading filed before the committee, and were there any personal conversations between the

minister and the Auditor General, or between any members of the minister's staff and the Auditor General that were not disclosed to the committee on that occasion?

Mr. Drury: Quite obviously, Mr. Speaker, there have been a number of conversations—

Mr. Woolliams: Oh, yes.

Mr. Drury: —with members of the administration. I do not think the Auditor General endeavoured, if indeed he could succeed, to produce before the committee yesterday a complete record of all the conversations that he has had with all members of the administration.

Mr. Woolliams: Would the minister be prepared to make a full statement on motions soon as to what the conversations were and what took place between his department and the Auditor General?

Mr. Drury: Mr. Speaker—

Mr. Baldwin: You mean a full confession.

Mr. Drury: —I understand the committee will be—perhaps it would be wrong to use the word "inviting"—summoning me to a session next week—

Mr. Woolliams: That is a good idea.

Mr. Speaker: The hon. member for Edmonton West. Order, please. I apologize to the hon. member for Edmonton West, but I believe the hon. member for Ontario seeks the floor on a question of privilege.

Mr. Cafik: Mr. Speaker, I do not want to add any further heat to this debate—

Mr. Hees: Then sit down.

Mr. Cafik: —but the hon. member for South Shore, who is a member of the Public Accounts Committee as I am, has indicated to the House that he was in attendance at those meetings, which he was. I make no bones about that, but he indicated that the government, through the report of that committee, was trying to muzzle the Auditor General. As a member of that committee I resent such a remark, because the report to which we are alluding and upon which the bill has been based was passed unanimously by the Public Accounts Committee of which he is a member and, if I remember correctly, he was in attendance at the time it was passed.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Edmonton West.

* * *

[*Translation*]

IMMIGRATION

QUEBEC—FEDERAL-PROVINCIAL AGREEMENT RESPECTING ADMISSION OF IMMIGRANTS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the right hon. Prime Minister in the absence of the Minister of Manpower and Immigration.

Has consultation taken place or is consultation taking place between the federal and provincial governments on the subject of admitting immigrants into Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, discussions have previously been held on the subject. I obviously cannot say what matters were studied. It all depends on the subject and the date to which the member is referring.

Mr. Lambert (Edmonton West): Mr. Speaker, I have a supplementary question for the right hon. Prime Minister.

[*English*]

Mr. Speaker: Order, please. Again, I apologize to the hon. member for Edmonton West. We may get to his supplementary eventually, but I understand we have a question of privilege from the hon. member for Athabasca.

Mr. Yewchuk: On a question of privilege, I just want to put the record straight, Mr. Speaker.

Mr. Speaker: Order, please. If that is the purpose of the hon. member in seeking the floor, that is not a question of privilege. I suggest that the hon. member for Ontario did not have a question of privilege, and again I suggest to the hon. member for Athabasca that if we are to pursue this debate as to who attended and who did not attend the committee meeting, and whether there were communications or not, it will not advance the work of the House very much. However, I will hear the hon. member for Athabasca.

Mr. Yewchuk: Mr. Speaker, my question of privilege pertains to the statement which was made that this report was unanimously approved by the members of the committee. I state that this was not so. The chairman of the committee was not present. The report was not signed by him.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Athabasca has the floor. Perhaps he should be allowed to indicate what the privilege is.

Mr. Yewchuk: The question of privilege is the fact that the chairman of the Public Accounts Committee was away on an official trip to Japan.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Again, I suggest to the hon. member that this is not a question of privilege. Obviously, there is debate between hon. members as to who was there and who was not there. The citations are numerous to indicate that this cannot be construed as a question of privilege.

Mr. Hees: Mr. Speaker, I rise on the question of privilege—

Mr. Yewchuk: Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Would the hon. member for Athabasca kindly resume his seat? I suggest to hon. members that we are going nowhere very fast. We have had a series of questions of privilege as to who attended a meeting and who did not attend a meeting. I suggest to hon. members that this has nothing at all to do with privilege. It should not even be raised as a question of privilege. Obviously, there is disagreement among hon. members as to who signed the report, whether it was unanimous or not, who attended a committee meeting and who did not attend a committee meeting. Perhaps this should not have been raised at all in the first instance, but now I do suggest to hon. members that we will fritter away the whole question period if we continue with questions of privilege that are not questions of privilege. The hon. member for Edmonton West.

[*Translation*]

Mr. Lambert (Edmonton West): Mr. Speaker, I have a second question I would like to direct to the Prime Minister.

Are discussions being held at the present time with the government of the province of Quebec on the matter of admitting a given class of immigrants of a given nationality and would these discussions also concern the advising of immigrants landing in Canada and of Canadian-born citizens who would wish to settle in the province of Quebec?

Mr. Trudeau: Mr. Speaker, I am not aware that any such meetings are held, certainly not at the prime ministers' level. We heard about this problem for the first time through the newspapers.

* * *

[*English*]

TRANSPORT

PARTICIPATION OF YOUNG PEOPLE IN STUDY TO PROMOTE SAFE DRIVING

Mr. Barry Mather (Surrey): Mr. Speaker, I am one of the few members of the Public Accounts Committee who do not have a question of privilege at this time. Instead, I have a question I would like to direct to the Minister of Transport. I do so because this is safe driving week in Canada. Since no group of drivers is more prone to accidents than the group between the ages of 16 and 24 years, would the minister consider emulating the action of his counterpart, Mr. Volpe, of the United States Department of Transport, and encourage a study in which a group of young people would take part with the idea of promoting a motor vehicle safety campaign throughout the country?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, if this is safe driving week you would never know it here.

Some hon. Members: Oh, oh!

Inquiries of the Ministry

Mr. Jamieson: However, I assure the hon. member that I will be very glad to take his suggestion into account. Mr. Volpe will be in Canada for meetings with me in early January, as will his and my counterpart from the United Kingdom, and we are working on something along the lines of an international campaign of the kind suggested by the hon. member.

EXPLANATION OF ADVERTISEMENT IN REGINA LEADER-POST

Mr. John Burton (Regina East): Mr. Speaker, I would like to direct a question to the Minister of Transport. Could he explain an advertisement placed by the Department of Transport in the *Leader-Post* of November 26, 1970, which calls for a tender for an NDP site in Regina?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker—

Mr. Speaker: Order, please.

Mr. Jamieson: Well, I had a good answer.

Some hon. Members: Oh, oh!

Mr. Speaker: I am sure the House would like to hear it.

Mr. Jamieson: It is a direction finder for the NDP because in Saskatchewan, as elsewhere, they have obviously lost their way completely.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I understand the hon. member for Yukon is rising on a question of privilege.

Mr. Nielsen: On a question of privilege, Mr. Speaker, I would not want the minister even unintentionally to mislead the House. The initials "NDB" stand for "non-directional beacon."

Mr. Jamieson: That is what I meant.

* * *

[*Translation*]

INCOME TAX

EXEMPTION OF FEES PAID TO SCHOOL BOARD MEMBERS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Minister of National Revenue. Could he tell the House whether, following the requests made by the Quebec Association of school boards, he intends to recommend to the government to consider non-taxable entertainment allowances paid to school boards trustees, which is what Quebec is doing now?

[*English*]

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, the minister is away today on government business, but I shall take the question asked by the hon. member as notice and draw it to his attention.

[*Later:*]

[*Translation*]

Mr. Laprise: Mr. Speaker—

Mr. Speaker: Does the hon. member for Abitibi wish to ask a supplementary to his first question?

Mr. Laprise: Mr. Speaker, it is more a point of order.

I directed my question to the Minister of National Revenue. I can see that his body is here, but I wonder where his mind is. If he heard my question, I would like him to answer, if at all possible.

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, I am sorry, but I did not hear the question the first time. I am taking the hon. member's question as notice and shall answer it tomorrow.

* * *

[*English*]

INDUSTRY

DENISON MINES—NEGOTIATIONS TO PREVENT SHUTDOWN

Mr. Maurice Foster (Algoma): Mr. Speaker, my question to the Prime Minister was interrupted yesterday—at least, his answer was—and you suggested that I might ask a supplementary today. In view of the very serious economic situation in Elliot Lake, can the Prime Minister advise what progress has been made in the negotiations between the government of Canada and the officials of Denison Mines to prevent the shutdown of this uranium mine?

An hon. Member: Better get Mr. Pearson back.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am happy to pursue yesterday's answer and indicate that the government has a continuing concern over the situation in Elliot Lake. I was telling the House that there have been active exchanges and consultations between the parties concerned, the latest being in November. The minister is presently leading a delegation to Japan on the problems of mining, and I believe the president of Denison Mines is part of that delegation. I think it is, therefore, safe to assume that uranium will be discussed. I know that when the minister returns he will resume negotiations, in mid-December and hopefully we will find a solution.

* * *

DRUGS

EXPRESSION OF OPINIONS BY MEMBERS PRIOR TO INTERNATIONAL MEETING IN VIENNA—LE DAIN COMMISSION FINAL REPORT

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address a question to the Minister of National Health and Welfare. In view of the fact that the Le Dain Commission will cost the people of Canada at least $1,200,000, will the minister now tell the House how he will fulfil his pledge, given on October 21 this year, that members could express their views in the House on the drug question within two months, and before Canada commits herself at the Vienna conference thus perhaps jeopardizing the necessary but costly work of the Le Dain Commission?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I think that hon. members have had ample opportunity already to express their views on the Le Dain Commission report.

An hon. Member: When?

Mr. Munro: You certainly have.

Mr. Rynard: A supplementary question, Mr. Speaker. It is obvious that we are not going to meet in the House to talk about it, so could the minister now tell us what reservations will be made at the Vienna conference?

Mr. Munro: Mr. Speaker, as far as the government's decision on the position to be taken at the Vienna conference with regard to reservations is concerned, this will be announced in due course, certainly before the House recesses.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, in light of the appeal of the directors of anti-addiction programs for nine provinces urging that the government should not sign the international drug treaty prior to the tabling of the final report of the Le Dain Commission, can the minister inform the House whether the government has responded to this appeal in an affirmative manner?

Mr. Munro: Mr. Speaker, all I can indicate at this time is that the government has taken note of these reservations and its decision as to policy on this question will be made known to the House.

Mr. Mazankowski: I wonder if the minister would undertake to make a statement on motions on the government's view of the relationship of the pending international commitment—the protocol on psychotropic substances—and the forthcoming Le Dain Commission report?

Mr. Munro: Yes, Mr. Speaker, I will be pleased to consider that.

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AGRICULTURE

FARM MACHINERY—INQUIRY AS TO FINAL REPORT OF BARBER COMMISSION

Mr. Lorne Nystrom (Yorkton-Melville): I have a question for the Minister of Agriculture, Mr. Speaker. In view of the continuing concern about the high prices of farm machinery, can the minister inform the House whether he has received the final report of the Barber Commission and, if not, when does he expect to receive it?

Hon. H. A. Olson (Minister of Agriculture): I have not received that report yet, Mr. Speaker, and I am sorry to say that I cannot give a precise date for its receipt as Dr. Barber has not yet indicated this to me.

TRADE

STEPS TO LIMIT IMPORTS OF AUSTRALIAN AND NEW ZEALAND BEEF

Mr. A. P. Gleave (Saskatoon-Biggar): Further to the question I put to the Minister of Agriculture yesterday, Mr. Speaker, about the importation of beef, may I ask what limitation was agreed to between Canada and New Zealand in the negotiations to which he referred in his answer?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I am sure it would take longer than you would allow to answer that question. However, it is a matter of public record that shipments were stopped from July 2 until some time in September, so that the stocks here or that were destined for Canada exceeding the amount consumed here could be cleared away.

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INDUSTRY

MARITIME PROVINCES—EFFECT OF INCREASE IN FUEL OILS

Hon. J. A. MacLean (Malpeque): I should like to address a question to the Minister of Consumer and Corporate Affairs, Mr. Speaker. What action is the government taking to roll back the 50 per cent increase in the cost of some important fuel oils used industrially in the Maritime provinces, such as Bunker C, in order to keep down the cost of production in that part of the country?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, these price increases would be subject to review and examination by the Prices and Incomes Commission.

Mr. Hees: Boy, do they ever do a job! They certainly keep those prices down.

Mr. MacLean: I am aware of that, Mr. Speaker, but could the minister state what benefit has accrued to the consumers of this oil and to the Maritime provinces from this procedure?

Mr. Speaker: I wonder whether the question as asked is in order. The hon. member is inviting the minister to state what benefits have accrued from policy. This is hardly a question that could be allowed at this time.

Mr. MacLean: Perhaps I could rephrase my question and address it to the Minister of Regional Economic Expansion. Could the minister state what action his department is taking to keep the effectiveness of industrial expansion in the Maritimes from being negated by the exceptional increase in the cost of fuel which is also having an effect on the cost of electric power?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): If the hon. member will wait a couple of days, perhaps I will then be in a better position to answer his question.

[*English*]

SPORTS

PROTEST AGAINST SUSPENSION OF HOCKEY PLAYER—METHOD OF SIGNING

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is addressed to the Minister of National Health and Welfare. Has the minister received a telegram from western Manitoba signed by more than 500 people protesting the suspension of a young hockey player with the Brandon Wheat Kings by the MAHA and the CAHA against the wishes of his parents? If so, what action is the minister taking on the matter?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I have received the telegram referred to by the hon. member and we are looking into this matter.

Mr. Craig Stewart (Marquette): Mr. Speaker, as the player mentioned by the hon. member for Brandon-Souris was signed to a player's card when only 15 years old, and without the consent of his parents, can the minister assure the House that the government will soon present legislation to end the CAHA slave market methods of signing our youth to player cards?

Mr. Munro: Mr. Speaker, for some time the government has been looking into its legislative competence in this particular area, and when that has been decided it will be announced in the House.

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AGRICULTURE

ALLEGED TRAFFICKING IN INDUSTRIAL MILK QUOTAS

Mr. W. B. Nesbitt (Oxford): My question is addressed to the Minister of Agriculture, Mr. Speaker. Will the minister investigate serious allegations of trafficking in industrial milk quotas, which the regulations of his department apparently permit, and will he make a report to the House on motions in due course?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I should like to have a little more detailed information from the hon. member respecting this question. I would advise him that milk quotas are not negotiable as far as subsidy quotas are concerned and fluid milk quotas, of course, are the responsibility of the provinces.

SERVING OF NEW ZEALAND BUTTER BY AIR CANADA

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, as it is obviously desirable that Canadians use Canadian dairy products as much as possible, would the minister, with his colleague the Minister of Transport, look into the situation on our national airline, Air Canada, which serves New Zealand butter with in-flight meals, and ask the airline to serve only good Canadian butter in future?

Inquiries of the Ministry

NORTHERN AFFAIRS

REFERENCE OF LAND USE REGULATIONS TO STANDING COMMITTEE

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Will he confirm to the House the commitment he gave to the Standing Committee on Indian Affairs and Northern Development in the previous session to refer to that committee the draft regulations on land use for the Territories? If so, could he indicate to the House when he will be prepared to refer those draft regulations to that committee for its consideration?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I cannot grant the request of the hon. member because the regulations involved have not yet been approved by the governor in council, but as soon as they will have been approved, I will try to determine whether that question can be referred to the Committee on Indian Affairs and Northern Development.

* * *

[*English*]

AUDITOR GENERAL

UNANIMITY OF FIFTH REPORT OF PUBLIC ACCOUNTS COMMITTEE

Mr. Norman A. Cafik (Ontario): Mr. Speaker, may I direct a question to the hon. member for Pontiac who is vice-chairman of the Public Accounts Committee. I direct it to him because of the absence of the chairman, the hon. member for Wellington. Was the fifth report of the committee to the House of Commons dated June 26, 1970, relating to the Auditor General's report in fact passed unanimously?

Mr. Speaker: Order, please. That question is not admissible under the rules. Questions to chairmen of committees can only relate to forthcoming proceedings of those committees. For example, members can ask whether committees will sit or not sit. The question asked by the hon. member is not procedurally acceptable.

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CANADIAN WHEAT BOARD

RECOMMENDATION FOR PLACEMENT UNDER DEPARTMENT OF AGRICULTURE

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, may I direct a question to the Prime Minister. In light of the recommendation that the Canadian Wheat Board be placed under the Department of Agriculture, made by the grains committee study group that was established to review the task force report during the recent agricultural congress that has just been concluded in Ottawa, may I ask when the Prime Minister plans to implement this important recommendation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not received any of these reports so far. When I receive them, I will study them.

[Mr. Hees.]

CONSUMER AFFAIRS

MAINTENANCE OF REASONABLE RETAIL FOOD PRICES AND PROFITS

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is supplementary to questions asked by my leader and other hon. members. I will therefore omit the preamble and ask the Minister of Consumer and Corporate Affairs the following: Will the minister not employ some effective method of surveillance and supervision to maintain reasonable and legitimate retail food prices and profits that will be conducive to the welfare of the consumer and to the survival of the small, independent merchants in our rural communities?

Mr. Speaker: Order, please. The hon. member's question is in the form of a substantive motion. I suggest that he has made a submission to the minister and he must assume that it will be considered.

Mr. Alkenbrack: Mr. Speaker, could I not obtain an answer, either negative or affirmative, from the Minister of Consumer and Corporate Affairs?

Mr. Speaker: The hon. member has to assume that the answer to this kind of logical and interesting question would be yes.

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FINANCE

TAX CONCESSIONS TO "TIME" AND "READER'S DIGEST"

Mr. Frank Howard (Skeena): Mr. Speaker, may I direct a question to the Minister of Finance. My question is related to the decision of the government that, for constitutional reasons, it cannot involve itself in the sale of Ryerson Press to McGraw-Hill. It involves a field in which no such prohibition exists. Would the minister immediately take steps to end the preferential tax concessions available to *Time* and *Reader's Digest*?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, this matter was dealt with by Parliament. Legislation was passed. If the government were going to make changes it would, of course, propose them in the normal manner.

Mr. Howard (Skeena): Mr. Speaker, I assume from that answer that the minister is going to continue maintaining *Time* and *Reader's Digest* as friends of his party.

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[*Translation*]

SOCIAL SECURITY

QUEBEC—DISCUSSIONS RESPECTING TRANSFER TO PROVINCIAL JURISDICTION

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I have a question for the Prime Minister.

Since the Quebec premier stated yesterday that his government intends to repatriate the social security programs, could the Prime Minister tell the House whether consultations are now under way in this connection between Ottawa and Quebec?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member should know that the government's position is indicated in a white paper introduced almost one year ago at a federal-provincial conference.

I am convinced the opposition will approve our position as soon as they have the opportunity to read that white paper.

Mr. Asselin: Mr. Speaker, I should like to direct a supplementary question to the right hon. Prime Minister.

Is it the intention of the government to delay the implementation of the recommendations in the white paper on income security until more thorough discussions can take place between the federal government and the Quebec government in this regard?

Mr. Trudeau: Mr. Speaker, that depends on the part of the white paper that is concerned. Most recommendations will be implemented only in a few months, after the introduction of bills that will be discussed in this House. If the members of the hon. member's party wish to delay the payment of the supplement to be paid to older people, they have but one thing to do—vote against the proposed measures.

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[*English*]

INFORMATION CANADA

AVAILABILITY OF ALLEGED DIGEST OF RESPONSES TO GOVERNMENT ANNOUNCEMENTS

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, my question is for the minister in charge of Information Canada. It is with respect to the digest of responses to government announcements about which I asked him a question on November 10. Can the minister say when the first report will be ready? Will he also assure the House that all responses on the matter of the Auditor General, both favourable, if there are any, and unfavourable, will be made available to Parliament?

Hon. Robert Stanbury (Minister without Portfolio): Mr. Speaker, I do not know anything about the digest which the hon. member has invented.

Mr. Bell: Does the minister not know that in his department they are making a big play about this so-called digest?

Mr. Stanbury: I know that we are not, Mr. Speaker.

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COMBINES

CURTAILMENT OF RESTRICTIVE PRACTICES OF PROFESSIONAL SOCIETIES

Mr. Allen B. Sulatycky (Rocky Mountain): Mr. Speaker, may I direct a question to the Minister of Consumer and Corporate Affairs. Can the minister tell the House what consideration, if any, has been given to the methods whereby the restrictive practices of professional bodies, such as the dental, legal and medical societies, can be curtailed so that the opportunity to receive professional services at reasonable cost will be available to all Canadians no matter where they may live?

An hon. Member: That applies especially to lawyers.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Economic Council of Canada, in its report on competition policy, recommended that services, including those of professional groups, be included within the Combines Investigation Act. The recommendations of the Economic Council are in front of the government in preparing revisions of the Combines Investigation Act.

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AIR TRANSPORT

EQUIPMENT OF AIRPORTS WITH GLIDE SLOPE ELECTRONIC SYSTEM FOR BLIND LANDINGS

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my question is for the Minister of Transport. In view of growing public concern after many airline catastrophes, can the minister assure the House that all airports in Canada serving scheduled airlines have the glide slope electronic system, or its equivalent, for blind landings in bad weather?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, obviously this is the kind of question which requires a written answer. I can assure the hon. member I have been told that by world standards our system is certainly as good as or better than most. If the hon. member would like me to furnish a written answer about the specifics of what is available, I will be glad to provide that for him.

Mr. Ryan: Please do.

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FINANCE

PROFITS OF CHARTERED BANKS

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Finance. In view of the announcement by the Royal Bank yesterday of a 10.1 per cent increase in its profits, would the minister make a statement on motions with regard to the profits of the banks and deal especially with the increase in profits of the Royal Bank, which was 10.1 per cent, that of the Toronto-Dominion Bank, which was 15.7 per cent—

Mr. Speaker: Order, please. The hon. member should not give information. He has asked his question.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I think the banks publicly indicate what their own profits are and it is not necessary for me to indicate on motions what they are. My hon. friend obviously knows what the profits are.

Old Age Security Act

[*Translation*]

FINANCE

LOW INTEREST LOANS FROM BANK OF CANADA FOR PUBLIC WORKS

Mr. Henry Latulippe (Compton): Mr. Speaker, I wish to direct another question to the Minister of Finance.

Can the minister inform the House whether he will exert due pressure on the Bank of Canada to obtain low interest loans with a view to financing public works since this measure could alleviate unemployment next winter?

[*English*]

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, in answer to this question, I think that the monetary policy followed by the Bank of Canada over the last number of months has indeed had the effect of lowering interest rates in Canada.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

OLD AGE SECURITY ACT

AMENDMENTS RESPECTING AMOUNT OF PENSION, MAXIMUM SUPPLEMENT AND ESCALATION THEREOF

Hon. John C. Munro (Minister of National Health and Welfare) moved that Bill C-202, to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

• (3:40 p.m.)

He said: Mr. Speaker, The bill before us today is the first of several measures promised in the white paper on income security which I tabled in this House on Monday. As the white paper indicated, this legislation has to be introduced immediately to meet the various deadlines entailed in our proposal.

In the white paper, we served notice that we were going to put much less emphasis in future on the demogrant approach, which pays universal flat-rate benefits to everybody who meets certain age and residence requirements. We also indicated that we would be putting much greater emphasis on the guaranteed income approach to alleviating poverty in this country. Although we cannot at this time contemplate a guaranteed income program for all Canadians, in every age group, we can use the guaranteed income approach very effectively for certain groups in the population, especially those who are no longer in the labour force.

Four years ago this month, in December 1966, the guaranteed income supplement program for old age security recipients was approved by the members of this House. In January 1967, people who were 68 or older, and who had no other source of income, became eligible for a 40 per cent supplement to their old age security pension, that is, an extra $30 a month. In the three succeeding years, the amount of this supplement rose slightly as the cost of living rose, and the whole benefit, old age security and guaranteed income supplement combined, became payable at earlier ages. Since January of this year, people who were 65 or older could receive as much as $111.41, consisting of $79.58 in old age security pension and $31.83 in guaranteed income supplement.

This guaranteed income supplement program has proven very effective; 818,000 people, or almost half all old age security recipients, were drawing some supplement as of last June. By October this figure had reached 821,000. These people submit application forms each January stating what their family income has been in the previous calendar year. In this way we can be sure that the benefits are being paid to those who need them most, the aged people who have little or no other source of income. This program cost $263 million in 1969-70, and during the current fiscal year it is expected to cost $285 million.

There are two major features of this program which have made it so effective. One is the income test I have just mentioned. This is an impersonal test that does not involve any private investigation of one's living habits or spending habits. It is no more degrading than the income test that all taxpayers must undergo when they file their income tax returns. The second is the built-in incentive feature. The supplement is not cut back by a dollar for every dollar a person has from other sources. It is cut back by $1 a month for each full $2 a month one has from other sources. This leaves an incentive for older people who can augment their pensions by doing some work to do so. It leaves an incentive for younger people contemplating their retirement to save toward that day. At present a single person could have up to $768 in other income, or $1,722 including his old age security pension, before he would be ineligible for any supplement. A married couple could have up to $1,536 in other income, or $3,444 including their old age security pensions, before they would be ineligible for any supplement.

We believe this program has proven successful in dealing with the problems of the aged poor, although we concede that the amount of benefit is no longer adequate. We have, therefore, decided to extend the program to cover people who will reach age 65 after 1975. At present the supplement is only available to pensioners born on or before December 31, 1910. This bill will remove that restriction.

There will be a small number of persons born after 1910 who will be unable to benefit from the Canada Pension Plan, including those already disabled or widowed. There will also be a certain number of persons who will get a Canada Pension Plan retirement pension, but because of long periods of unemployment, underemployment or because of a lifetime spent at or near the minimum wage, that retirement pension will be very small. As the law now stands, a man who was disabled in 1965 or earlier, a woman widowed in 1967 or earlier, and a person with a very small retirement pension will, if they have little or no income, be eligible for a guaranteed income supplement if they reach age 65 before the end of 1975, but not if they reach 65 after January 1, 1976.

Although relatively few in number, each person denied the protection of the guaranteed income supplement would justifiably feel discriminated against. Therefore, the bill proposes to eliminate this source of discrimination.

The major feature of the bill before us, Mr. Speaker, is the increase that is proposed in the amount of the supplement. The current legislation sets the supplement at 40 per cent of the old age security pension. With the old age security pension at $80 a month next year, this would mean the supplement would be $32. Instead, we are proposing to remove this proportionate relationship, and to raise the supplement to $55 a month for single people and to $95 a month for a married couple if both are pensioners. Together with an $80 old age security payment this will mean a total monthly benefit of $135 if single or $255 for a couple if both qualify.

In 1967, the combined benefits were $105 if single and $210 for couples. At the rate prices have been increasing since then, the corresponding values for these amounts in January 1971 would be $122 and $245. Our proposed rates of $135 and $255 more than restore what their pensions would have been had there been no limiting of escalation.

Married couples who are both pensioners will be assured incomes of $3,060 a year. They can draw a partial supplement if their combined income is less than $2,304 excluding old age security, or less than $4,224 including their old age security pensions. A person married to a non-pensioner could draw a partial supplement as long as his income is under $3,600 excluding old age security, or $4,560 including old age security. Your Honour will agree, I am sure, that these amounts will be very helpful to a great many low-income aged persons across Canada.

Your Honour will have noted that the rate proposed for a single pensioner is more than half that proposed for a couple. This represents a first step in adjusting the level of benefits to reflect the fact that single pensioners face a higher cost of living per person than do married couples. Data were provided on page 40 of the white paper showing that single aged persons are on the whole poorer than aged couples. For example, 37 per cent of single pensioners have no other source of income, as compared with 19 per cent of married couples over 65. Up until now, the old age security and guaranteed income supplement program paid a single person half the rate for a married couple. However, most of the provincial assistance plans long ago recognized the need for a differential, and pay one person from 60 to 66 per cent of the rate for a couple. Studies of family budgets have shown that an aged person needs about two-thirds of the amount required by an elderly couple to get along. The proposal in this bill will raise the minimum income of a single person to 53 per cent of that for a couple. If only the amount of the supplement is considered, the single rate is 58 per cent of the rate for a couple. This we regard as a first step in improving this relationship; we hope that further adjustments can be made the next time the rates are improved.

• (3:50 p.m.)

After the first year of operation at these new rates, the supplement will be raised in April 1972 by the 2 per cent escalation which will be reflected in the pension index for that year. This automatic escalation feature is to be retained for the GIS program, and will be applied to the total combined amount of old age security plus GIS, that is $135 and $255. Thus, in April, 1972, a 2 per cent increase would mean that the single rate would rise to $137.70 and the married couple's rate to $260.10. In other words, the amount of the supplement would be raised to $57.70 for single persons and to $100.10 for couples. On the basis of price increases in 1970, it was felt that the 2 per cent ceiling could justifiably be retained, since price increases this year have remained within that limit. The increase in benefits we are proposing will take care of the past abnormal increases in prices, and the automatic escalation of not more than 2 per cent should take care of any price increases that may be expected in future.

Another change contained in the bill before us is the proposal to switch from a calendar to a fiscal year basis for the payment of benefits. Applicants will still be asked in January of each year to report their income from the preceding calendar year. Then, during the period January to March, the administration will be processing and verifying applications as they do now. But, instead of making retroactive adjustments in the supplements for the first three months, they will start paying the new rate in April; this rate will carry through to the following March. To cover the period January to March, 1971, before the new rate of benefit comes into effect, pensioners who qualify will receive during these months the same amount as they would have been entitled to had no changes been made in the legislation at all. Single pensioners will get up to $33.61 and married pensioners will receive up to $67.22 a month.

Other changes in the legislation have also been proposed to make it more equitable. Married couples who have been living apart for more than a year can be treated as single in cases where one spouse cannot be found or refuses to co-operate by providing required information. In cases where one spouse is in a hospital or nursing home, and the other has to live alone with the same costs as a single person, that spouse can be treated as though he were single.

At the present time, spouses who do not draw pensions have to declare their income for the previous year and are not given the option of substituting their current year's earnings if they have retired. This option is granted to those who are pensioners. The Act thus discriminates between pensioners whose spouses are over 65 and those who are under 65. The bill proposes to remove this discrimination by allowing spouses under 65 to declare they have retired and to substitute current earnings for previous earnings.

Another change proposed will allow people to exercise the option to retire more than once. Experience has shown that older people do take up new work after retirement, and suffer hardship in the year they retire

from their second employment if they have already declared their previous retirement when applying for the supplement in the past. The bill before us proposes to allow them to declare their retirement on more than one occasion.

Two changes are proposed for the basic OAS pension. There will be a longer residence period required of those who do not reside in Canada between the ages of 55 and 64. For each year in the period during which they were absent, they will have to substitute three years after age 18 instead of two years after birth. Thus, a person would be required to have resided in Canada from age 18 to age 45 if he were to be absent from age 55 to his 64th birthday, to qualify for OAS at age 65.

The other change is the proposal to remove the automatic escalation from the basic OAS pension. It will be set at $80 until changed by some future parliamentary action. This decision was made in order to concentrate the financial resources available for income support for the aged on payments to those most in need of help. In 1971, this new policy will release $15 million for use in financing the increased supplement; in 1975 an extra $100 million will be released for this purpose. In the first fiscal year, 1971-72, our proposals are expected to cost an additional $194 million; without the $15 million savings, they would have cost $209 million.

There are those who argue that the OAS pension itself should have been increased. To raise it by $10 a month to $90 in 1971, would have cost an extra $206 million. We considered it a far better use of resources to concentrate this sum on improving the supplement for low-income aged pensioners. We have, therefore, suggested raising the supplement for single pensioners by $22 and for married couples by $29 a month at a net cost of $194 million. By so doing we have been able to ensure that all persons over the age of 65 will have incomes of at least $1,600 if single, or $3,000 if married pensioners. It is estimated that about 970,000 pensioners will be drawing the supplement, including about 470,000 who will get the full supplement. This seems a far more appropriate way to spend the money available than to raise all old age security pensions by another $1.17 a month. That is what is involved in removing the automatic escalation feature.

The substantial increases recommended for aged pensioners receiving the guaranteed income supplement and the other changes proposed in the legislation are proposed as a result of the experience we have gained concerning various inequities and anomalies in the administration of the Act, as well as from observations made by hon. members in cases where particular rules have led to injustice. This bill, with the changes I outlined in the latter part of my remarks, will, we hope, to a considerable extent correct those inequities and anomalies.

• (4:00 p.m.)

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I want to make some comments on this bill at the second reading stage. Others of my associates will emphasize various points, but there are a number of features in this bill on which I wish to comment this afternoon. As the minister has told us, the bill provides for a flat rate old age security pension which is frozen at $80 a month. Single persons over 65 are assured of a minimum income of $1,600 a year, and married couples $3,060 per year.

The first question that comes to my mind having read the white paper is, why the delay? We received the impression that there was some massive comprehensive overhaul of the whole approach to welfare that made it impossible for the government to take action in the area of old age security. But when one reads the white paper, one sees that no such comprehensive overhaul is involved. It is, therefore, impossible to understand why the government could not have proceeded to amend the legislation relating to old age security so as to provide something approaching justice for the older people of this country who are living below the poverty line.

Surely, the delay is not justified on the ground that such a move would be inflationary. The minister would not pretend for a moment, I am sure, that taking this action would have been inflationary. Certainly, it is not part of any general approach to welfare which could not have been proceeded with by itself. It seems to me that the delay that has taken place is inexcusable, and it has been very unfair to the older people of this country. Surely, we are not so hard up in this country or so callous as to sit back for a number of years and allow the older people who are in need to fall into a more and more difficult position each year. This has been happening, in part, because of the 2 per cent limit of escalation that the government has insisted on maintaining. So, the first question that does occur to one is how the government justifies the delay, one which must weigh very heavily upon the conscience of the minister and the members of the government.

The new maximum figure for the single aged is $1,600 a year. The second question I ask myself is, why this particular figure? It is still below the poverty line. The figure for a married couple is slightly over $3,000, which is not far off the poverty line indicated by the Economic Council of Canada. I was disappointed that the minister did not give some lucid and convincing explanation as to why the figure $1,600 was chosen as the upper limit for single aged people. I think the House deserves an explanation, either from the minister or from someone on that side of the House, as to why that figure was chosen rather than a figure more in line with what is generally considered to be appropriate, particularly in view of the long period of delay and hardship to which the government has exposed these people.

In considering this level of aid, one must bear in mind that it is taxable, and one must relate it to the white paper on taxation. There is no reason to believe that single aged people or the married aged people are going to be altogether exempt from taxation. The exemption figures proposed in the white paper do not relate by any means to the figures contained in this bill or in the white paper on welfare.

Another matter we have to bear in mind when considering the adequacy of the $1,600 figure is the 2 per cent limit on escalation of the cost of living. I could hardly believe the minister was talking seriously this afternoon when he justified this 2 per cent maximum on the basis that the cost of living was not expected to go up more than that this year. He must have stayed up a long time last night figuring out that particular explanation.

What possible justification is that for the 2 per cent escalation limit? If the cost of living is not going beyond 2 per cent, then why impose a limit of 2 per cent? On the other hand, if it may go beyond 2 per cent this year or next year, why the limit of 2 per cent, particularly in view of the fact that this 2 per cent escalation limit has caused much of the injustice suffered by the older people in recent years. So, I contend the minister has given no reason for deciding on the $1,600 figure, and certainly has shown no justification for retaining the 2 per cent escalation limit to keep pace with the cost of living.

As to the $80 frozen rate for old age security, apart from the guaranteed income supplement, the escalation feature is now being dropped. I ask the minister why he has taken this step. The reason it is to be frozen is not obvious; neither is the reason for the basic old age security pension not moving upwards as the cost of living moves upwards. These people have contributed to the old age security fund, which I think shows a surplus of some $700 million. I suggest the minister will have to explain to the House and to the people of this country in greater detail than he has up till now why this action is being taken before he will convince us that the basic old age security pension ought to be frozen at $80 a month, and that any future escalation to keep pace with the cost of living ought to be eliminated.

As I say, the escalation has been held to 2 per cent. My view is that it should move upwards in line with the cost of living, especially when one considers the extent of the contributory nature of this plan and the surplus that has been built up in the fund by the contributions of those who are now drawing on the fund. This is particularly important when one considers the fact that, even with the addition of the guaranteed income supplement, these pensions are still below the poverty line.

I am not saying that the present proposals are approaching justice, but they are certainly a vast improvement over what has been the situation. Neither the government nor the minister has given the House any explanation at all to justify holding the older people of this country to the limits of the aid they have received for so long. But their hearts somehow having been warmed from some source, perhaps the minister himself, and having decided to move suddenly, why did the government postpone the effective date until April 1, 1971. Why are the older people in this country faced with the difficulty of having to work their way through this winter on these old rates? This course cannot be justified. The delay in the past cannot be justified and the delay in not implementing these increases until April 1, 1971 cannot be justified. The minister, I believe, had the honesty not to try to justify it.

• (4:10 p.m.)

Mr. Munro: Administratively.

Mr. Stanfield: Administratively, it can be done. There is no reason why it cannot be done, but the government is not prepared to move.

There is another feature which has not been corrected in respect of which I believe something might be done. This is in connection with the administrative arrangements. A lot of our older people are hurt badly when, perhaps through administrative error, their is an overpayment. When this happens, I believe the administration should bear more responsibility than it has to date because such an error can work great hardship against the older people. I also think consideration should be given to some plan whereby the pensioner can resort to other than the governor in council or to someone within the government service. I realize this may involve difficulties, but I do not think the regulations in respect of this whole procedure for appeals should be too costly within bureaucracy itself. I believe this is something the minister ought to consider, but I shall not dwell on this matter at this stage since we are talking about the principle of the bill.

I want to emphasize that the delay until April 1, 1971 is inexcusable just as the delay to date has been inexcusable. The use of the figure $1,600 for single people certainly has not been justified yet. This must be justified. I concede that it represents a substantial improvement over what we have had, but I am sure the minister would concede that this $1,600 does not take a single aged person up to what is now considered to be a minimum figure in respect of living in this country as worked out by bodies such as the Economic Council of Canada. The 2 per cent limit on the escalation in connection with the cost of living has not been justified, and I do not believe it can be justified. The freeze on the basic old age security rate at $80, without provision for any future escalation because of an increase in the cost of living, has not been justified. I believe it is very difficult to justify, particularly in view of the contributions made to the old age security fund and the very substantial surplus which now exists in that fund.

I want to say quite frankly that I approve of the general approach of helping those who are in need. I think, however, when some of those who have contributed to the $80 a month have their pensions frozen at that level and are prevented from receiving any compensation in the future as a result of increases in the cost of living, this is not fair. I approve of the use of the guaranteed income supplement approach but I believe it is inadequate, especially in connection with the single aged people. I had hoped that when the legislation came in, we would get rid of the 2 per cent upper limit of adjustment in connection with the cost of living which has caused so much grief. I hope the government or the minister will see fit to take out this provision because in my view it cannot be justified and will lead to a great deal of hardship in the future.

While I compliment the minister for the improvements which are being effected, because I agree they are substantial, I suggest the bill is very inadequate in the senses I have indicated. I hope the minister really agrees with me in this regard and that with our help, if he does agree that the points I have made are valid, we can have this bill further improved as it goes through the House and can remove the very substantial five or six injustices I have emphasized this afternoon and which the House should not adopt.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this is a bad bill. I realize that on Monday, when the Minister of National Health and Welfare (Mr. Munro) tabled his white paper on income security for Canadians, I stood in my place and said there were a number of items in it that were good and that I welcomed. I did so because when one is aware that people are in distress any alleviation of that distress is to be welcomed. However, now that I have had an opportunity to study this actual bill, I believe the first thing to be said about it is that instead of its being an act respecting old age security it is an act for the re-distribution of old age poverty. In his remarks just now, the minister said that it would cost a certain number of dollars to put these proposals into effect. He did not, however, say that there would be any increase in taxes to cover that cost. Indeed, in the white paper it is declared that there is enough in the old age security fund, or that there will be enough in the old age security fund from the taxes now being paid, to take care of the changes being made by this bill for the next few years. In other words, we are not talking about a re-distribution of wealth as between the working part of our population and the retired people. We are simply stirring it around a bit among the older people themselves. We are calling upon some of the older people to do with less so that some other older people may have a bit more. That is not old age security; that is the redistribution of old age poverty.

I noticed that the minister hesitated to rise and move second reading because he had heard me say yesterday and the day before that there was a point of order I wanted to raise in respect of this bill. The reason I did not do so was that once I had seen the bill, and made a general study of the points of procedure on which I had done some research, I came to the conclusion that my points related to equity and legality, so were not exactly procedural points but rather were arguments against the bill itself. Therefore, rather than raise a point of order, I decided I would endeavour to meet the bill head on. In a few minutes I shall be indicating the reasons I thought the bill was out of order and the reasons I believe no government should be asking Parliament to pass this bill for there is at least one utterly offensive feature in it.

Before I begin my criticism of the bill I believe it is only fair that one who has criticisms should state what he thinks ought to be before us at this time. I differ from the Leader of the Opposition in this respect. I think that instead of building on this old age security guaranteed income supplement combination we should go back to the principles that were established in the Old Age Security Act that came into effect in 1952. There should be before us a bill increasing the basic pension to $150 a month payable to all our people over 65 without any means or income test and subject to escalation to the full extent of the rise in the cost of living.

• (4:20 p.m.)

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): If the government thinks that that is beyond its capacity to plan and bring in, and if the government wants a second choice, I will offer it. I do so reluctantly because my first choice is what the Canadian people would like. My second choice would be for the government to bring in a bill raising the basic old age pension to $100 a month and granting a supplement of $50 so that those who are in need will at least get the $150 a month which surely is a minimum figure. I urge that nothing less than one or the other of these two proposals is what should be before us at the present time.

I have characterized this bill as a bad one, and I implied in the remarks I made on Monday and Tuesday that in my view it should not have been admitted. My reasons for that revolve around the fact that Parliament made a contract with the Canadian people. The word "contract" is not mine alone. It appears on page 24 of the minister's white paper and again in substance on page 42. Mind you, he uses it in a different context. He uses it in buttressing his arguments as to why all the present schemes cannot be replaced by a guaranteed annual income. He says that the old age security program cannot be eliminated because Parliament made a social contract with the Canadian people. The Canadian people have been paying into the old age security fund and they have a right to draw the pensions provided in the Old Age Security Act. That was the point of order that I felt could be raised.

I point out that in Beauchesne's Fourth Edition, citation 382, there is a reference to the fact that Parliament on occasion has refused to proceed with a bill that contravened policies laid down by Parliament in previous acts. We have laid it down as a policy that the people of Canada are required by taxation to pay money into the old age security fund, and we have undertaken in the Old Age Security Act that the Canadian people, having paid into that fund, are entitled to the pensions and the benefits set out in that act. That was stated clearly to us by Mr. Pearson when he was prime minister, and by Mr. St. Laurent before him. It was stated clearly to us by Miss LaMarsh when she was piloting certain amendments to this legislation, and I suspect my friend, the hon. member for Perth-Wilmot (Mr.Monteith) drew attention to this when he was minister of national health and welfare.

More recently, on March 15, 1965, when the present Minister of Finance (Mr. Benson), in his capacity of minister of national revenue, was dealing with the Canada Pension Plan and wanted to argue against some of the things that we were advancing, he went out of his

way to point out that parliament had guaranteed to the people of Canada the benefits provided in the Old Age Security Act. I also draw attention to the remarks made by the present Secretary of State for External Affairs (Mr. Sharp), when he was minister of finance, on December 19, 1966, in the course of a minibudget that he was presenting on that occasion. He devoted a section of that budget speech to the Old Age Security Act, both the fund and the payments. He read to us a portion of the Old Age Security Act which provides that the minister of finance must annually report to Parliament on the state of the old age security fund.

The Old Age Security Act provides very clearly that if there is not enough money in the fund to pay the benefits required by the act, the minister of finance shall report to Parliament on how he thinks the deficit should be made up. There is no suggestion in that act that Parliament or the government has any right to do the other thing, that is to cut off any of the benefits because there is a shortage of funds. The benefits are part of a social contract. They have been guaranteed by statements of ministers, and by the act itself, to the people of this country. I submit that to cut off any of these benefits is to break a contract, and the government is doing this in a kind of bill that should not be before Parliament.

As I said, the minister in his white paper refers to this social contract on page 24. He refers to the fact that it is a social contract, that people have built their retirement plans on the basis of this program, and therefore it would be quite unfair and quite unthinkable to take it away from them. Then, on page 42 where he is discussing again the question of the flat rate benefits, he says that many people have planned their retirement on the expectation that they will receive old age security at the age of 65. To deny them this benefit would be extremely unfair and a breach of faith.

Mr. Munro: Where is the word "contract" mentioned?

Mr. Knowles (Winnipeg North Centre): On page 24, there is reference to the fact that it is a social contract.

Mr. Munro: But where is it on page 42?

Mr. Knowles (Winnipeg North Centre): On page 24.

Mr. Munro: You said it was in both places.

Mr. Knowles (Winnipeg North Centre): On page 24 there is the statement that this program has almost the nature of a separate social contract between the state and its citizens. On page 42 the minister used different language. He said that to deny them this benefit would be extremely unfair and a breach of faith.

Mr. Munro: Yes, to remove the entire thing.

Mr. Knowles (Winnipeg North Centre): I thank the minister for his interjection. It is a breaking of the contract, a breach of faith, to remove the entire thing. I say that to remove anything that has been guaranteed to the people under this act is a breach of contract and a breach of faith. One of the things that has been built into this act is the guarantee of an escalation, if the cost of living goes up, by at least 2 per cent per year. For the last three or four years people have built their retirement plans on that fact just as much as anything else, and taking away that 2 per cent is just as much a breach of contract as if the pension were reduced to $70 or to $50 or wiped out altogether. It is that fact which makes it seem to me that this is the kind of legislation that should not be brought before Parliament by a government that believes in the rule of law, that believes in social contracts, and that believes in keeping any kind of faith.

I decided not to raise these arguments as a point of procedure but rather as arguments in the debate, which I suspect the Speaker would have told me they were. In addition to these arguments, I want to point out what the government has done in social terms in the matter of escalating because of the rise in the cost of living. This government—the Liberals, and I have lots of things to say about them—

Mr. Mackasey: They are not all bad.

Mr. Knowles (Winnipeg North Centre): Just a minute, let me continue. The Liberals have it to their credit—just a minute, my dear friend in the red shirt—that they were the first federal government in Canada to introduce the principle of escalating pensions. They attached this principle to the old age security pension as well as to the Canada Pension Plan. Then, they put it in the Devco pension plan and in a few other such plans. We have argued for many years that this was a good beginning and that we should go on and do it in other plans. And so we did last March. We accepted this principle and applied it to the pensions of retired civil servants, of retired RCMP personnel, of retired armed forces personnel, and of retired Members of Parliament.

• (4:30 p.m.)

What kind of people are we? We pushed ahead with this idea of escalating pensions as the cost of living goes up until we got ourselves covered by it. Now, we are going to go back and take it away from those on the basic old age pension. The minister may want to interject that there is a special half of one per cent that we pay into a fund for this purpose. But every citizen of Canada who pays taxes at all pays 4 per cent into the old age security fund, and is paying 3 per cent in sales tax. He pays indirectly, as well, corporation taxes, and part of that contract, part of what people pay for when they pay those taxes, is that they should get what Parliament has said they should get. Therefore, I submit that this is not only a breach of contract but that we are destroying something that is good, something that this government started.

What is going to happen as a result? I made a brief reference to it on Monday. Instead of moving to the day

when almost everybody in retirement could anticipate that his income would go up by at least a couple of per cent, we will have our retired people in several different categories.

The first group I want to talk about are the people on the old age security and the guaranteed income supplement. Their pensions will not be very high but they will be the fortunate ones in that they will get a 2 per cent increase every year if the cost of living goes up by that much. Their total income will escalate.

Then, there will be people like retired civil servants who get the old age security pension and their civil service pension. Their civil service pension will escalate every January, but their old age security pension will not escalate if they are getting only the basic pension.

Then, there will be people on private pensions from outside employers, the CPR and so on. Their total pension will be the old age security and the basic amount of their other pension, and they will be out in the cold completely. There will be no increase for them because of the cost of living increase. I should admit that there is a slight modification to that. Those who have any portion of their retirement pension from the Canada Pension Plan will get an increase with respect to that portion. But what a patchwork we are building up when what we should be doing, after the progress we made last March and based on what we have done in previous years, is moving toward the concept of all pensions in retirement going up at least 2 per cent as the cost of living goes up. But instead we are retreating from that, and taking it away from the 800,000 of our people on the basic old age pension by itself.

If I were a Liberal—

Mr. Mackasey: You are pretty close. There is hope for you yet.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I hope you applaud my restraint.

Mr. Mackasey: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I would be terribly ashamed that my party had come in with this good principle and now was about to destroy it.

It is in the same category as universality. You know, we claim the credit for that, and rightly so, for we kept prodding the government to remove the means test from the old age pension. We are proud we did that until we won. But when the bill to do so was brought in, it was a Liberal government that brought it in, and the Liberals around the country boasted of the fact it was their party that recognized the principle that people in retirement should have their pensions not on the basis of a means or income test but as a matter of right.

These two good principles which, whoever may have done the prodding to begin with, were put into law on the basis of bills brought in by Liberals—universality of payment and escalation because of the cost of living increase—are now being abandoned and destroyed by the government. It is for that reason, Mr. Speaker, I have to say, despite my slightly generous remarks on Monday, that this bill is a bad bill. It ought not to be before Parliament. I do not raise a point of order against it, because it is more than a procedural issue, but I do suggest that the members of this House should meet it head on in debate. They should insist not that the Liberals adopt something the opposition is asking for but that the Liberals get back to the principles they followed when they brought in the Old Age Security act back in 1951—the best piece of social legislation that was ever brought into this House of Commons.

The Minister of National Health and Welfare today, and also the Prime Minister (Mr. Trudeau) when he has talked about this matter, tell us it is a case of taking away from the rich, or not giving it to the rich so that we can give it to the poor, to those who are needy. That is a very nice and high-sounding phrase, take it away from the rich to give it to the poor. If that were what we were doing, particularly if it were an over-all proposition and we were saying to the rich in our society of whatever age, "You should have less so that the retired people could have more"—we would have to applaud. But all this bill is doing, even at the risk of repeating my phrase, is redistributing old age poverty; that is what it is doing. It is taking away from some retired people and giving it to others who are also retired.

If even the latter phrase fitted, if description used by the Minister of National Health and Welfare and the Prime Minister were correct, one might have to listen to it. But who are these rich who are being asked to do with less? Who are these rich who are being asked to settle for an increase of 42 cents and to have their pensions frozen at $80? Who are these rich who are no longer to get an increase in their pension on the basis of the rising cost of living? Well, to begin with, any single person over 65 years of age who has other income of over $110 a month will not qualify for the supplement, will therefore qualify only for the basic pension, and will not qualify for the escalation. Do you call a 65 year old single person with $110 of other income apart from his pension, rich? I don't think you can. No one can, not even the Prime Minster.

Let us look at the statistics, and I thank the minister not only for having given them to me in answers to questions put on the Order Paper but for having them included in this white paper. Mind you, if I read the document correctly he was giving these figures to show us there is not enough income amongst the older people to tax back to make a significant difference. The tables given us on pages 40 and 41, when you break them down, show that our people over 65 years divided into three main categories. There are 1,700,000 of these people. I take it that under the new provisions about 60 per cent will qualify for the guaranteed income supplement. At present that figure is about 48 per cent, but about 60 per cent will qualify under the new ceilings. That leaves 40 per cent. That 40 per cent falls into two groups, one of 30 per cent and one of 10 per cent. I am talking about 30 per cent of the whole 1,700,000 of our people who are

over 65. The 30 per cent I am talking about have incomes between the cut-off figure of about $110 a month and a figure of about $3,500 or $4,000 a year single, or twice that married.

Let me drive that home as strongly as I can, and I am avoiding a lot of detailed figures I have worked out because I want to make the point. That 30 per cent of 1,700,000 people represents over 500,000 Canadians, 510,000 to be precise. There are over 500,000 Canadians, 65 years of age and over, who are just over the $110 a month or the corresponding figure married, but their total incomes run from that up to $3,500 or a bit over $4,000 single, or twice that married.

• (4:40 p.m.)

Mr. Munro: Let's talk about the new rates.

Mr. Knowles (Winnipeg North Centre): We are talking about the new rates. I am using the minister's—

Mr. Munro: You are using the old rates.

Mr. Knowles (Winnipeg North Centre): No, no. Just a minute. Mr. Speaker, I have been dealing with this matter as long as the minister and he will readily admit that. I am saying that under the new rates $110 a month other income is the point at which you do not get any GIS, and the minister now nods his head. He realizes I know what I am talking about. I am saying that there are over 500,000 people in that area, from a point just over the figure where they do not get any GIS to around $3,500 or $4,000 a year. Mr. Speaker, these are the rich. These are the people who the minister and the Prime Minister say must do with less so that we can help the poor.

An hon. Member: Shame.

Mr. Knowles (Winnipeg North Centre): I think it is shameful. Somebody over there snorts or something—

An hon. Member: It is a Liberal.

Mr. Knowles (Winnipeg North Centre): But, Mr. Speaker, if ever there was a clear demonstration of what I want to call this act, there it is. It is an act for the re-distribution of old age poverty. We are asking these people, these retired Canadians, and incidentally Canadians who had a social contract and believed they could count on their pension increasing by at least 2 per cent per year as long as they lived, to settle for $80 a month for all time or until some government calls upon Parliament to take action again. In January they are going to get $80 instead of the $81.17 they would receive if this act did not go through, and $80 it will be for years to come.

Apparently the people in this category are the rich. I confess that I get annoyed by the minister and the Prime Minister saying that we are not going to give it to the rich any more. There they are, those 500,000 people. They are starting to write to me about it and, indeed, it begins to look as though I may hear from all 500,000 of them. I shall need some help to answer them. But the kind of help we want, Mr. Speaker, is at least to leave them with that 2 per cent increase we have been giving up to this point.

Now, Mr. Speaker, those are the rich, the people we are taking it from. A lot of them are far below the $3,500 or $4,000 level, some are at the $2,000 level or even less.

Mr. Munro: May I ask the hon. member a question? Are you saying—

An hon. Member: As long as it is not counted in his time.

The Acting Speaker (Mr. Laniel): Order, please. If the minister wishes to ask a question he should stand and address the Chair.

Mr. Munro: Mr. Speaker, I should like to ask the hon. member if he is suggesting that 500,000 pensioners will receive the flat rate of $80 a month and not get GIS and that they are all on this narrow band above $110?

Mr. Knowles (Winnipeg North Centre): I am.

Mr. Munro: The whole 500,000?

Mr. Knowles (Winnipeg North Centre): I am taking the figures the minister gives on pages 40 and 41, and I am trying to get some merging of single and married. Sixty per cent of the single are below $500 a year and 60 per cent of the married are below $3,300 a year. I have done some meshing of these figures and if I may go back to my point, of a total of 100 per cent I say 60 per cent have incomes so low that they will qualify for GIS. Perhaps there are 10 per cent at the top who are not in need. In between that top 10 per cent and the bottom 60 per cent there is 30 per cent. Thirty per cent of 1,700,000 is 510,000. That is my arithmetic. These are the rich for whom the minister and the Prime Minister want to do nothing, from whom what they have must be taken away. They are not rich, they are in need, Mr. Speaker.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): We are taking from the rich to give to the poor. And what are we doing for the poor? If asking these 500,000 people to surrender some of their alleged affluence amounted to something substantial being done for the needy, maybe I would say it is up to them to do it. What does this bill provide? We are going to increase the maximum benefit for single people from $114.41 per month to $135 a month, which is $23.59. How many potatoes will that buy? We are going to increase the married total from $222.82 to $255, that is $32.18 or $16.09 each for man and wife. It may have sounded good in the headlines, and a lot of people may have thought that the millenium had come, but by the

time they get their cheques in April they will be saying, "Some millenium".

Mr. Gilbert: Forty-two cents worth.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I cannot press too strongly upon the minister the disappointment I feel over this legislation, coming as it does from a Liberal party which was the first to bring in the principle of universality of payment and the principle of escalating pensions. What we should have before us instead of this bad bill is a liberal bill, one that would go back to the principle of 1951 and provide an increase in the old age security pension to $150 a month payable to all without any means or income test. I say again, reluctantly but realistically, that if the government is not prepared to go that far, at least it should bring in $100 a month as the basic pension and $50 a month as the guaranteed income supplement, making a total of $150.

Mr. Speaker, may I take the few minutes I have left to comment on some of the details in the bill to which the minister has referred. Some of them are welcome and important but some are not outstanding. I do not quite know why the change is being made whereby a person who does not have the necessary last ten years of residence before age 65 is required to substitute previous years to the extent of three times the shortage since age 18 rather than twice the shortage since birth. It seems to me that the restrictions on the pension are tight enough already without making them tighter. However, I have to admit that offhand I do not know of any cases that will be adversely affected by this, though I am sure there will be some. Any tightening of the regulations has that result.

I note the removal of the year 1910 for the act, so that this guaranteed income supplement becomes not a temporary thing geared to the Canada Pension Plan as it was when it was introduced in 1966, but a permanent piece of legislation. I suppose if we are going to operate this way, then that date should be removed but what I do not like about it is that it adds to the permanence of this two level arrangement, universal security on the one hand and the means test supplement on the other. I welcome the fact that some anomalies have been corrected, particularly cases where people have had their income reduced during a year for reasons other than retirement—such as a widow losing a pension. In fact, such people have sometimes had to wait two years before getting an adjustment. As I read the bill that will be corrected, though I am not sure it will be completely corrected. I believe that could happen in the early part of the fiscal year and the adjustment not be made until the next fiscal year. What then about the current fiscal year? When other income is cut off in the middle of a fiscal year the increase is needed right then.

The change from payment on a calendar year basis to a fiscal year basis seems to make administrative sense and I do not quarrel with that. However, I do quarrel, as did the Leader of the Opposition (Mr. Stanfield), with the comment made by the minister about the 2 per cent ceiling. I know, Mr. Speaker, that we have to refer to each other here by our constituencies or titles but I feel like saying, "John, how could you? How could you stand up and tell us that we should leave the 2 per cent ceiling there?" I will come back to order, Mr. Speaker, and ask the minister how he could leave the 2 per cent ceiling there because the cost of living is not expected to rise much more than that in the years ahead.

An hon. Member: No—he said this year.

Mr. Knowles (Winnipeg North Centre): If this is true, then we do not need any ceiling. In any case, I believe most members feel that the ceiling on the amounts by which pensions can be escalated should be removed altogether.

• (4:50 p.m.)

The minister made some reference to removing the discrimination against the spouse who is below 65 years of age. His remarks sounded enticing, and it looked as if something interesting were coming, as if we were going to do something for the spouse who is under 65. Apparently all that he or she can do is supply a current estimate of his or her income, for the grand total. There seems to be nothing which will deal with the real problem, namely, the difficulty that two people have in getting along on one income when one is over 65 and the other is under 65. I will not at present try to work out a formula, but it seems to me that when the breadwinner, if one can still use that phrase in this modern age, is retired and on a pension, the pension he gets ought to be sufficient for himself and his spouse, no matter what the age of his spouse might be.

The minister said that a number of anomalies have been straightened out. That is true. Some of the improvements are important and welcome. I suppose the one that I should now like to refer to is one that he will tell me is out of his field and that I should wait for the speech which is to be made at eight o'clock tomorrow night by the Minister of Finance. I will wait, and we will discuss this matter and this bill when we get it to the Standing Committee on Health, Welfare and Social Affairs. I believe, very strongly, that we should take a special look at the income tax position of pensioners, especially when they are on the guaranteed income supplement. I will not quarrel when the minister says that I am so strongly in favour of the universal approach that I do not have the right to talk about correcting the guaranteed income supplement. Nevertheless, I must deal with what is before us.

I still think it is iniquitous in the extreme in legislation known as the guaranteed income supplement, the purpose of which is to bring pensioners up to a certain level, to give pensioners that supplement with one hand and to take it away by taxation with the other hand.

Mr. Stanfield: The Lord giveth and the Lord taketh away.

Mr. Knowles (Winnipeg North Centre): Yes, only I see no resemblance to the Lord on the government side. The members over there may think they are lords, but the facts are different. I am speaking about the situation as it is at present. Even with the present guaranteed income supplement for persons between the ages of 65 and 70, once those persons get that supplement they are over the income tax exemption level and, instead of getting the net guarantee that the Minister of National Health and Welfare is supposed to give them, they obtain something less, because his dear friend, the Minister of Finance (Mr. Benson), comes along with his tax. Under the new levels, the situation will be even worse.

Is the minister rising to make an announcement?

Mr. Munro: No. Mr. Speaker, may I ask the hon. member a question?

Mr. Knowles (Winnipeg North Centre): Yes.

Mr. Munro: The hon. member a little while ago said that he did not like the recommendation in the bill to make the guaranteed income supplement program permanent. He did not like it because it perpetuated distinctions between the aged people, between the ones who actually need the supplementation and the ones who do not and who receive only the old age security pension. Really, what I am asking the hon. member is this: is it his position that he would like to do away with the guaranteed income supplement program entirely? If he does not wish to make this program permanent or if he wishes to have it phased out, does he think that the money that would otherwise be put in this area should assist the old age pensioner generally in a completely univeral coverage? My second question is this: would he then still be prepared to recommend only $100 as the limit for all pensioners in the country?

Mr. Gilbert: The minister has missed the point, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I thought the minister was listening intently to me.

Mr. Munro: I was.

Mr. Knowles (Winnipeg North Centre): May I answer his first question by saying categorically, yes, I should like to go back to the completely universal program. I realize that I do not have the support of the Leader of the Opposition (Mr. Stanfield) on that, but I think I could win him over if I could spend some time with him. Yes, I should like to go back to the completely universal program, and I would collect more by way of income tax from that 10 per cent of the population that is at the top of the income scale. I see the minister shaking his head.

Mr. Munro: The hon. member knows very well how much he would get.

Mr. Peters: There is plenty of money here.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I know that my time is running out. Surely, you will allow me the two minutes that the minister took. I come back to his question. If all we are going to do is merely redistribute the amounts now given to the older people, of course we cannot do it; but if we are prepared to consider the Canadian family as a unit and if we are prepared to redistribute our total wealth in terms of justice and fairness to our older people, we can do it.

May I answer the second part of the minister's question? He asked me if I still support a pension of $100 a month.

The Acting Speaker (Mr. Laniel): Order, please.

Mr. Knowles (Winnipeg North Centre): Could I have a couple of minutes more, Mr. Speaker?

The Acting Speaker (Mr. Laniel): It will be necessary for the hon. member to obtain the unanimous consent of the House, because his time has expired.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): Does the House agree unanimously to allowing the hon. member to complete his remarks?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I thank hon. members of the House. I shall not abuse their kindness. I thought I made it clear to the minister and to the House in the first sentence or two of my remarks this afternoon that, in my opinion, what should be before the House is a bill providing for $150 across the board. Back in 1966 we were asking for $100 a month, yes; but we are asking for $150 a month across the board. That is the position I take, that my party takes, and that is the position that I think would make sense so far as the people of this nation are concerned. I say again that if we attempt to put the old people off to one side by themselves and stir around and redistribute the resources that we make available to them, it cannot be done. On the other hand, if we take an over-all, comprehensive view of Canadian society, we can.

May I close by drawing attention to a rather ingenious provision in this bill regarding the guaranteed income supplement. The minister referred to it. The government's intention is that the increases shall not become effective until April 1. This applies to the guaranteed income supplement, and the Leader of the Opposition made a special note of that fact. Yet I notice that the bill is ingeniously drawn in such a way that people on the guaranteed income supplement will obtain exactly the same amount of money in January, February and March, whether the bill passes or not. If the bill passes, they will get the rate provided for in the legislation as it now stands. It works out to the figure the minister mentioned.

Mr. Monteith: Is it not $111.41?

Mr. Knowles (Winnipeg North Centre): It will be a bit more. They will obtain the addition of the 2 per cent escalation due in January. That is what the bill, if passed, would give them in January, February and

March. If the bill does not pass they will get the sum of $112 or $113, or an amount like that, by virtue of the legislation as it now stands. But, Mr. Speaker, the 800,000 Canadians who receive only the basic old age security pension—which they get as part of the contract, because it is their right to receive it—will receive only $80 a month in January, if this bill passes this month. That is an increase of 42 cents from this year's $79.58. If this bill does not pass, they will get $81.17. You know, that poses a challenge to Parliament does it not?

I hope, Mr. Speaker, that in the light of all the facts, members on both sides of the House will give this bill very serious consideration. It deals with a terribly important issue. It deals with a matter which, in 1951, we resolved in what I think was the finest way it could be resolved, when we said old age pensions should be paid to all as a matter of right. I hope that we come back to justice, fair play and a decent concept of social security for all Canadians.

• (5:00 p.m.)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I intend to be brief in my remarks on Bill C-202.

Since I came to this House, there has often been talk of increasing the old age pension, but not much has been achieved in that regard.

Even though this bill provides for nothing more than a 42 cent monthly increase in the pension of those whose income does not exceed a certain level fixed by the act, we still intend to support it in order that a higher pension might be paid to our old people as soon as possible.

But we should ask ourselves whether our senior citizens are not entitled to better consideration. In Canada, in 1970, do these people not have a right to more gratitude for the efforts they made building the country, for their discoveries and the progress we owe them? Unfortunately, more than 500,000 of those who could continue the work started by Canadians aged 65 or over, are unemployed.

Mr. Speaker, I am sure that nobody would be any poorer if Canada decided to give old people a minimum income which would allow them to meet all their needs without having to worry about tomorrow.

I know a great number of people who live in very strained circumstances. We must admit that with $3,060 two persons cannot easily procure shelter, pay school and municipal taxes, buy clothes and live decently. This is surely not an amount commensurate with our ability to pay.

When Jacques Cartier discovered Canada and when the first settlers in his party had to pick wild berries, fish and hunt to provide for their needs, old people could not rely very much on the assistance of the state in difficult times.

However, in 1970, conditions have changed and we should show more gratitude to those who are really quite deserving. Canada can do more. Those people are not asking for charity, but justice. We must distribute the wealth of our country instead of hoarding it or paying grants to curtail production. We should pass somes measures which would enable the aged to enjoy a well earned security. I understand what the government means. I am sure that the present government, as well as the preceding ones, has meant to show gratitude to the older people by drafting legislation which would allow the payment of pensions. I remember—and yet, I am not very old—that a number of years ago, when one mentioned this possibility of paying pensions or family allowances, one was called a communist. These measures did not make sense. They could not see why one should give money for nothing, to people who had not been required to work to deserve it.

Times have changed. Nowadays, everyone agrees that this is not a communist deal, but a matter of social justice, of economic possibilities. Everybody wants the government to keep on paying these pensions and to increase them without of course being brought to the brink of bankruptcy.

We have production surpluses of all sorts. Machinery is lying idle in our factories and getting rusty. Workers have nothing to do. Last night, four young men from my riding told me that they had been fired. They asked me if I could do something for them. I answered that I was willing to help them—I do this every day—but the system is faulty, we are not proceeding in the right direction.

Instead of putting our economic car on the right road so as to enable the young to work, we are driving a car with half its wheels off the road.

Young people are ready to help raise the old age security pensions but on condition that they should be able, in turn, to earn money.

Fortunately, some provincial governments have taken the lead and proved that it was possible to pay more than a small pension which allows only for living from day to day with no security at all.

The provinces of Alberta and British Columbia have seen to it that old people get an income of $139 and $149 respectively.

These provinces are none the worse for it. As a matter of fact, their production potential is sufficient to meet the demand of aged people who have a higher income.

An aged person who receives a pension, say $130 a month, could not live decently when rents are $180 or even $200 a month. You might say the difference will be put up by the provincial government under the social welfare plan. However, it happens that these persons may feel ill at ease, they may consider themselves as public charity cases and be dissatisfied with their lot.

Mr. Speaker, our economic system offers major opportunities of all kinds in the construction industry, the manufacture of clothing, of foodstuffs. However, the system is being paralyzed and an effort is being made to deprive some people of such advantages.

Not so long ago, I was impressed when reading the following:

> Our production system must therefore be geared to production of goods which will meet, first of all, the elementary needs of mankind, then the secondary needs, and finally those needs which come into the class of affluence and luxury.

It can hardly be suggested that the increase the government is proposing is going over that level to fit into the luxury level. Definitely not! Still it is possible to do more, taking into account the capacity to produce. Now, legislation is passed to increase pensions gradually according to the development of our country and we expect the government to do it. Were we to reduce our demands, we would be unfair to our senior citizens.

In my opinion, increasing old age security pensions only to keep them in line with the ever increasing cost of living would not be enough because with higher standards of living resulting from increased productivity, our old people should be allowed to benefit from this situation to the same extent as all other Canadians.

This is what we call the heritage of a nation. Our senior citizens have all contributed to this national wealth. They strove to produce wealth so that they could benefit from their work in their older days.

Some people say sometimes that it is annoying to pay taxes in order to support older people. Why did they not save money when they were working, so as to be able to provide for themselves? But these people are not to blamed, for they were overtaxed all their lives and squeezed for interest charged by the comptroller of credit that belongs to the nation.

Some people who cashed in on the nation's credit were rewarded in the form of interest from the taxes paid by Canadians. It is no wonder then that most older people are in a difficult situation and did not succeed in saving money to enable them to live decently for the later years of their lives.

This is the pattern we keep on fighting. However, we do progress. We see from one day to the other that we can do better, that certain changes are in order, but progress does not come about fast enough. The events overwhelm us and we have the situation which prevails now in Canada.

Mr. Speaker, I should hope that the minister will prove not charitable but just in the means test and that if through errors in the implementation of the new plan, some Canadians receive a few dollars to which they are not duly entitled under the law, they will not be treated too harshly.

Without there being dishonesty on the part of pensioners, due to misunderstood answers or questions while completing forms, it happens sometimes after two, three or four years, that the department finds out it has paid too much money. The old people must then pay it back at a time when their income has never been so low. A certain amount of money is deducted from their pension cheques and they are put in a difficult position. It is inhuman.

This is why I would like to ask the minister to tell his officials not to be too harsh so that in such cases the old people do not become even more miserable than they were.

As I said at the beginning, Mr. Speaker, we intend to support this legislation but we also want to make some suggestions and to bring in amendments. We do not feel that this is the last pension increase. We hope that the Old Age Security Act will be amended again so as to grant a justified increase of pension.

For the next eight, ten or fifteen years, it will be impossible for anyone to run in an election by telling older people: We have raised your pension by 42 cents a month and we have slightly adjusted your guaranteed income supplement, it was a gift. More honesty is needed. Right after this bill is passed, we should keep considering the old age security situation with a view to bringing it in line with our productive capacities so that our senior citizens will be able to live many more wonderful years in a Canada they helped to build for us.

For these reasons, and because we are still in the prime of life, we wish the government would do even more so that it can be said everywhere that in Canada people live on more than just memories. They line on gratitude and material goods. We must ensure that it will be said that Canadians realize that God has not put on our territory so much wealth in order to accumulate it to create misery, but to have this wealth distributed among Canadians. We must ensure that nobody will think any longer that it is necessary to live in misery in the midst of plenty.

• (5:10 p.m.)

[*English*]

Mr. Steven Otto (York East): I do not know whether it was the anticipation of my speech or the Social Credit philosophy we have just heard which so quickly emptied this chamber, but I hope that before I am through I shall not be addressing just you, Mr. Speaker; I see the Minister of Labour (Mr. Mackasey) nodding his head and I am glad of this assurance that he will be here for a while.

I do not intend to deal, now, with specific figures or to indulge in the hair-splitting evident in the remarks of the NDP spokesmen and, to some extent, in those of the spokesmen for the Official Opposition; I believe we should keep this sort of thing for the committee. After all, the result of second reading will be to get the bill into committee. I propose to deal with the general principles embodied in this measure and with the position of the parties opposite in relation to those principles.

The hon. member for Winnipeg North Centre (Mr. Knowles) said he would like to see a liberal bill. Then, he went on to say he would like to see a liberal bill like the one brought in during 1951 or 1952. I can tell him that Liberal bills do not go back to 1952, 1910 or 1912. All the legislation we have is forward-looking legislation. If he wants to go back to 1914 it indicates the direction the New Democratic Party is taking, not the Liberal party, and he should know this. I have listened time and time again to the hon. member for Winnipeg North Centre.

You know, as he rises, with his very revered look, one would think there was sincerity there. I have known this gentleman for years; he and I have been good friends. But I had the feeling today he was trying to sell sincerity and make the most of it. Because the substance of what he was saying does not make sense. What does he recommend? He himself cannot believe it. He recommends one hundred and fifty dollars a month for everybody, or two hundred dollars a month and the application of the principle of universality.

• (5:20 p.m.)

If I were a member of a party that had very little or no chance of ever forming the government, of ever being responsible, I would offer them $1,000 a month. The hon. member knows this. In one breath he says there should be universality; but when it comes to who is going to pay for this, he and his party will turn round to the working men, the tax payers, those who are tired of paying taxes, and will say to them that it will be the rich who will pay. What he has said today is a clear indication that he objects to the idea of selectivity that is contained in this bill. Then, he says that this is not a Liberal document.

I know that to break the so-called rule of universality is difficult. Does the hon. member not think that we know that we are going to be unpopular to some? Does he think we believe it is easy to do this? Somebody has to have the guts to do this, and we have done it. We know you cannot apply the principle of universality and give everybody the great benefits the hon. members talked about unless someone is taxed for them. He and others have said time and time again that the poor working man is tired of paying taxes.

Mr. Knowles (Winnipeg North Centre): Let us tax you and me.

Mr. Otto: We are taxed. The hon. member himself said that. The numbers of people who are supposedly rich are not sufficient to pay for this. What the hon. member is really saying is that we should not pay $153 or $156 only to those who need it; we should make a universal payment to everyone of $150 or even $200. But when the hon. member asks where the money should come from, he will discover that it comes from the working man who has to pay taxes, real estate taxes, income taxes. He is the fellow who is being squeezed, and it is the government who is accused of squeezing him.

The hon. member's statements are irresponsible and do not make sense. When he gets into the committee he will have to show where he is going to get the money to pay for the benefits he wants. In committee he will be told that the money will not come from the rich because there just are not enough rich, including the hon. member and me.

Mr. Knowles (Winnipeg North Centre): Speak for yourself.

Mr. Otto: Then, all of a sudden he became a legal expert and dwelt on the question of contracts at some length. The idea that seemed to flow from him was that we had made a pact with all the contributors to the old age security fund; that we are now saying to them that we dare not go back on that contract even though this money is being redistributed from the same fund and that this surplus in the fund is not going to last.

We have made other contracts. For example, practically ever since confederation people who have bought property not meant for speculative gain have expected that the proceeds from the sale of the property would not be taxed as a capital gain. It is hon. members opposite who claimed that this tax should be applied retroactively. If that were the case, where is the contract? If there is a contract on the one side there must be a contract on the other side. The idea of having a static, immovable contract does not make sense.

I do not think anybody in Canada would interpret a so-called contractual obligation in that narrow sense. No member on this side is giving this money to the rich; the money is being redistributed because we have to be selective. As a nation we cannot afford to apply the principle of universality with generosity and aplomb. However, I shall be talking later on an issue close to this to illustrate why we cannot afford this principle. We cannot even afford what we think we can afford. I say that the suggestion that we continue this general idea of universality does not make sense. As I say, although the government knows it is going to be unpopular somebody must have the nerve to go ahead and take this action. The provisions in this bill will provide some benefit to those who are really in need.

I suggest that averaging out the payment what we are really talking about is an income of $440 a month for a man and his wife. That is not affluence; but if that couple have no more children to feed and clothe and are living by themselves, it is not exactly extreme poverty either when you compare their income with those who have nothing. Since we are not going to be popular with these 500,000 people to whom the hon. member referred, it is politically opportune at this time for him to appeal to them. This is why the hon. member's party is trying to take their side. It does not matter whose side they are on as long as the voters will support them. I suggest this is not being sincere. If the hon. member has a theory to expound, then we should be pleased to hear what it is.

Other questions have been raised, one of which was escalation. The question of unlimited escalation or a 2 per cent escalation is a difficult one. Most of the wage earners today who have to pay taxes to support payments of old age security and other benefits somehow gear their demands not to their total salary but to their take home pay. If the government were to tell these people that they needed an additional one half of one per cent in order to raise more money, then the wage earners in turn would ask for more wages. And, so on it goes. For example, we could apply the escalation principle to the sale of government bonds, or to payments of mortgage interest. If we were to do that there would be a pull toward escalation, toward a higher level of payments, and we just cannot do this in light of today's economy.

There are two principles contained in this bill. The first is the theory of selectivity. Whether we are proposing social welfare programs, old age security legislation or other like measures, we cannot give to all the people the things that they want because the economy would not tolerate it. Therefore we have to be selective. We have to tell those who do receive these special guaranteed supplements: "You will be entitled to receive $151 or $153 a month because you have to live and we will not see you starving to death".

On the other side of the coin, we have to say to those that receive $500 a month: "You will get $80 a month and no more. If we give you more we cannot give more to others, unless of course we take it from you". And so we have the same vicious circle. We have to come to some sensible conclusions, and this is one of them. I shall not deal with some of the other matters but will leave them up to the other speakers. However, I wish to say that this is indeed a liberal bill. I hope that in the committee all these questions will be explained. I am pretty sure they will be. I refer to the date of April 1, 1971 as the cutoff date and these other points. I am sure these things will be explained in the committee when we sit down with the administrators and the other people who have the facts and figures. Then, we will be in a position to make common-sense suggestions and accept common-sense arguments. In the main, I would ask the support of this House for the bill because we are treading on a path which will not be a popular one and I believe every member here should know it will not be popular. I do not think the opposition, merely for political purposes, should take advantage of something that has to be done.

• (5:30 p.m.)

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I always enjoy listening to the hon. member for York East (Mr. Otto). He is always very interesting, and at times he is amusing. He usually has a wealth of figures and a good imagination. I pay tribute to him for all these reasons. I have sat with him as a member on committees. I have always enjoyed being on those committees with him. I hope we will both be members of this committee because I am sure when he manipulates figures I will try to have something to say. I do not hold that against him. He has a new Liberal policy. Is it the just society one? The Liberal policy of the past, as suggested by the hon. member for Winnipeg North Centre (Mr. Knowles), just does not fit in with his philosophy.

May I say I am very glad the Minister of National Health and Welfare (Mr. Munro) finally made a move. I am sure he must be acutely aware of the things he has left undone and the damage and shortcomings of some of the things he proposes. As the hon. member for York East said, there will be some repercussions in respect of some of the provisions that are being introduced. I congratulate the minister for what he has done and I hope I am, at least partially, cognizant of the difficulties governments face in introducing bills, in finding the necessary funds and in accepting responsibility for what they do.

I shall chastise the minister for the bad things he has done and the things he has left undone. There is much he has left undone. It is certainly not a magnanimous measure. Subtly, the minister tried to leave the impression he was giving a lot when in reality he was taking something away. Robin Hood at his best could not have done better. In an interesting article the *Toronto Daily Star* mentions this under the heading "Munro initiatives help the poor". The article reads:

> It was his Robin Hood costume. If his government brings in legislation—as it should, promptly—to implement the social security white paper tabled yesterday, it will be asking Parliament to take from the rich and give to the poor on a scale never matched in Sherwood Forest.

Well, it is quite a compliment to him that he could outdo Robin Hood whose legend has lived through the ages. The minister did not go further because the realities of the misnomered just society did not allow him to do so. After all, the just society has not operated the way the Minister of Finance (Mr. Benson) had pictured it. His prescience has not worked. His surplus vanished and he was out a few million dollars more in his calculations. This is not unusual for this minister.

Perhaps the Minister of Finance remembers the wise old axiom that the plans of mice and men oft go astray. I suggest to the hon. member for York East that if his figures are no better, he should be very careful before the committee. What is the reason for the delay in relieving the humiliation of the old people and their difficulties in life? Nothing is to be done before April 1. Santa Claus just did not come. To give the minister credit I admit that he did his best to try to gild the lily, but quickly this will disappear when cold reality sets in. Those promises of things to come might never materialize. This is merely a white paper, a feeler to test the water. We hope it is that because then perhaps some of the things in it can be changed. Perhaps we can give the Liberals a shot in the arm by redirecting them on the right course. What about the poor old age pensioner? He needs bread and the government gives him cake—shades of Marie Antoinette. It will be a sparse Christmas for many people who will not believe this government could not have made arrangements for the increase to become available before the year's end. The approach to poverty is becoming a hodge-podge of municipal provincial and federal welfare boards with duplications and over-lapping. Often times no one receives help because the help is buried in bureaucracy.

It was interesting and sad to learn last evening that the Department of Health and Welfare has been sending out papers to addresses which had been changed five years previously, or even longer, and to non-existent places. Perhaps some of these people had passed away. However, this is government, this is bureaucracy, and perhaps this type of thing just cannot be helped, but surely to goodness they should try to do something about it. The approach to poverty, as I have said is becoming a hodge-podge of welfare boards. Let us take the case of the old age security pension. The recipient pays for it. The amount now is 4 per cent. Why is it said that the old people who are over age 65 do not deserve it. Surely, these people have been paying for it over the years through taxation. An amount of 4 per cent has been

received from these people on a sliding scale from the time they began paying income tax. If a person had been fortunate enough to have a job, he was paying income tax on a sliding scale up to $240 per year. Those earning were paying more. I say that this is not right. How many people would like to make insurance payments on that basis? This is a tax which has been paid year after year so that the people would receive the old age pension as a matter of right, and not in the form of charity.

Surely, it is a principle of any business that when one makes a contribution toward a fund in order to provide for his old age this should not be taken away from him. I believe the old age pension, since people are taxed in order to pay for it, should be paid as a maximum at the level of $3,060 per year to married couples and $1,620 per year for single people and should be tied to a cost of living increase. This I support, and I congratulate the minister for doing this even though it is done on the means test, but even at this level these people are being left in the land of poverty according to the Economic Council. Since everyone who pays income tax contributes to his own old age pension fund, and pays according to his income up to $240 per year, it is my belief that everyone has the right to receive it.

• (5:40 p.m.)

If a person does not need the pension because his income is above the poverty line, taxes will look after that excess income. According to this principle, regardless of whether or not it is a Liberal principle, the money is raised by taxing those who have bigger incomes. That was the principle. Hon. members can go back and look at the debates recorded in *Hansard* of those days. The minister's bill also has the demeaning feature of separating people into two classes. If a person has a taxable income—and here is another point that bothers me—whether or not the old age supplement has made his income taxable, he has to look after his own hospitalization. I do not know how many hon. members have had this point brought to their attention but I run into this very feature over and over again. Even if a person receives the old age supplement and his income is taxable, he has to pay for his hospitalization and for his OHSIP as well as his drugs. As I have stated before, this principle applies to the single or married couples receiving the income supplement if they have taxable income.

I think that sometimes this is very unfair because, after paying income tax and hospitalization, these people end up below the income level which they would have had before getting the supplement. The government committed itself to this principle when it made those persons who are on a guaranteed income supplement pay for their hospitalization and medical insurance if their income is taxable. In other words, they are taking some of the supplement away from them when they make them pay taxes and hospitalization. Furthermore, the government sticks to this principle when it taxes by 50 per cent all the old age pensioner receives above the supplement. Surely, in this way the government taxes the supplement away from these people. Therefore, the government cannot keep riding two horses all the time. Perhaps they realize that there must be work

incentives. The *Globe and Mail* had a small article on this which I think is apropos. It reads in part:

> So why not experiment with the old folk? Not all, despite the white paper, wish to be removed permanently from the work force. Why not allow a pensioner $3 or $4 of earned income for each dollar deduction of supplement? The cost to the government would not be great, the able old would not be trapped in a workless world, and useful information could be amassed on the effectiveness of such an incentive to work.

The article goes on to read:

> Just in passing, it might be noted that when members of Parliament revised their own pension scheme, they did not feel it necessary to insert a clause deducting $1 of pension for each $2 of other income.

The principle of dividing old people into two classes bothers me. This principle was given up in 1951 after careful consideration. The principle was brought out over and over again in the debates of those days. If hon. members would go back to the debates of 1951 they would see this. It is abundantly clear it was ruled out by the St. Laurent government because it encouraged too many people to get rid of estates. It cost too much to police. With the situation as it is now, with estate taxes and confiscations, this process may be accelerated. This will encourage people to give their money away so as to qualify for a guaranteed income supplement, and it will not be long before the 900,000 people who qualify today will become 1,700,000 tomorrow. The problem is that to qualify on a means test for 60 per cent or more is very demeaning. This is pointed out in an article in the *Star* which reads in part as follows:

> Another of the neediest groups, people over 65 with little or no income of their own, will be substantially helped if the white paper proposals take effect. The increases of $22 a month for single supplemented pensioners and of $28 for married couples are more than welcome, and they too are overdue, for these pensioners' real incomes have steadily fallen as the cost of living rose. To their new pensions should be added an escalator which will fully cover future price increases.

This government proposes the removal of the escalation clause and that presents another problem. When people apply for this guaranteed income supplement, if the application forms are not filled out correctly and an overpayment is made, the poor old recipient can starve as he pays it back bit by bit in the months ahead. This occurs over and over again. I have had people coming to see me, as I think most other hon. members have, telling me that through an error on their part, which perhaps was not intentional, they received for a time more than they were entitled to and then have had to pay it back leaving them with not enough to live on. This is not a nice thing to happen to old people. Actually, it is very cruel in a good many cases. Just the other day a case was drawn to my attention of a poor old lady whose husband had died. The government suddenly found out that he owed them some money. It was only $6. They threatened action. The widow was living in poverty trying to pay the funeral expenses out of her small pension.

This is why I believe in the principle of universal pensions. As it is there is far too much demeaning of the individual. I have some figures here that would indicate the average earnings of a person at the age of 65. Of

68,000 people who were paying income tax at 65, the reported average income was $4,020. At the age of 70 that figure dropped to $4,000. A couple aged 65 years and over will receive $3,060. As the hon. member for Winnipeg North Centre (Mr. Knowles) pointed out, one has to draw a comparison between the reported poverty level income of $4,020 and the $3,060 that will be received.

This is why I believe in universal pensions and in getting away from the bureaucracy and the humiliation which our people have to undergo. I do not believe in the division of our people into the rich and the poor. A great many of these people have come through the great depression, and I know some of them personally.

Mr. Gilbert: The Minister of Labour (Mr. Mackasey) agrees with that.

Mr. Rynard: I am sure he does. There would be no question of bringing out a white paper such as this one if he were in charge. I want to bring this point home. The difference is very small and those people have come through the great depression. They worked for years in hard times. Many of them worked for a buck a day. Some of them bought the perpetual bonds in the grim 30's the payment of which the government has now welched. I refer to the 3½ per cent perpetuals which were supposed to mature in 1966, and which every banker in the country said would be paid off at that time. Those bonds are now worth only 38 cents on the dollar, and I am sure the Minister of Labour realizes that the purchasing power of that dollar has been cut by a third. In effect, therefore the bonds are actually worth less than 15 cents on the dollar.

• (5:50 p.m.)

This bothers me because I am not a partisan politician. I know many of the people who bought those bonds. I was a young doctor in those years. I know how we were paid then. I know the difficulties people had in making ends meet. That they now have to accept 15 cents on their dollar shows how cruel and hard governments can be.

The white paper, Mr. Speaker, may even discourage people from saving for their old age. As I have said, the estate tax is confiscatory. People may say to themselves, "We will not be any further ahead by scrimping and saving. Our friends across the road will get $255 per month with the old age pension and the supplement. They are not providing for their old age. Why should we?" Surely, this Canada of ours is too great a resource country for that? Surely, we have too many opportunities to start playing that type of game? What effect will this double standard have on the thrift and industry of the community and of the country?

The middle class upon which this country is dependent for its prosperity, the people who must carry the load if the country is to progress, are being taxed so heavily that their incentive is being destroyed. We are encouraging people not to save because we will provide them with a guaranteed income supplement. They will ask each other, "Why not live like our neighbours? Why not keep up with the Joneses? The government will help us anyway." The individual's incentive is being destroyed. Once this happens the tax base will be gradually eroded. I congratulate the minister on the crumbs he has thrown, but I regret the inability of the government to grasp the question of poverty, to meet the problem in a realistic manner instead of with this hodge-podge attack.

The hon. member for York East (Mr. Otto) said that of course we never do things for political purposes. I could go through the Department of Health and Welfare in both the province of Ontario and the federal government and point out place after place where the neglect is woeful. We have chronic illness hospitals but we ship people out of them by telling them they are not in need of active treatment any more. In each case a committee will tell a patient, "You are fit to go out." Despite government controls, the cost of ward care has risen to $40, $50 and $60 per day. I have seen patients almost cruelly shoved out.

Where do these people go? They expect to be covered by hospitalization, for which they may have paid for years. But hospitalization does not cover them when they are chronically ill, and so they go to a home. What nonsense! That is not proper coverage. Why doesn't the federal government accept its share of this cost? Why doesn't it take the pressure off active treatment hospitals, and contribute to the provinces for the care of these patients in chronic illness hospitals? Governments just are not doing their best.

I think it was the Prime Minister (Mr. Trudeau) who said that people should always be alert to prevent a government from being completely incompetent. This is very true. This old age supplement should have been made universal. I have cited the reasons for that. Our old people have paid for it. They have been taxed at 4 per cent. They have been taxed on a sliding scale up to $240. It is theirs by right. I do not believe we should separate the old people, saying to some that they are rich and to others that they are poor. The cost would be minimal.

I am sorry the Minister of National Health and Welfare is not in the House because I noticed he quoted a figure of $150 million or $160 million as the cost of paying an extra $10 per month.

Mr. Francis: $200 million.

Mr. Rynard: I thank the hon. member for Ottawa West (Mr. Francis). How in the world would it cost $200 million to give 500,000 people $10 a month?

Mr. Francis: I am sorry, I made a mistake.

Mr. Rynard: I think the minister made one too. I will look it up in *Hansard* tomorrow, but he made that mistake. I think he said $160 million. I am not a mathematician, but I can say that if the minister looked at that properly he would have come up with a figure around $50 million or $60 million. Maybe the minister in error multi-

plied the 1,600,000 by ten. It would not take that much money, and if we were paying them too much it would be taxed away. Surely, this is the principle upon which the government was working with respect to the guaranteed income supplement. Otherwise how could it have put some of these pensioners in the income tax bracket.

Mr. Deputy Speaker: It being six o'clock—

* * *

BUSINESS OF THE HOUSE

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, could it be confirmed to us what the business will be tomorrow afternoon? We know what it will be at night.

Mr. Jerome: The intention is to continue with this measure tomorrow afternoon.

Mr. Bell: And supposing we did complete it fairly early tomorrow?

Mr. Knowles (Winnipeg North Centre): Six o'clock.

Mr. Jerome: I have had a word with one of the other house leaders and perhaps I am advisedly not prepared for that eventuality.

Mr. Deputy Speaker: It being six o'clock this House stands adjourned until tomorrow afternoon at 2 p.m.

At six o'clock the House adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, December 3, 1970

The House met at 2 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that a communication has been received which is as follows:

Government House,
Ottawa, 3 December, 1970

Sir:

I have the honour to inform you that the Right Honourable Gérald Fauteux, P.C., Chief Justice of Canada, in his capacity as Deputy Governor General will proceed to the Senate Chamber today, December 3, at 5.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Louis-Frémont Trudeau
Assistant Secretary to the Governor General.

ROUTINE PROCEEDINGS

• (2:10 p.m.)

AUDITOR GENERAL

CONSENT TO WITHDRAWAL OF BILL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER STANDING ORDER 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise to ask leave of the House to present a motion under Standing Order 43.

The clear and pressing necessity for this motion is very direct and can be stated in a sentence or two. Yesterday the President of the Treasury Board was quoted as saying outside the House that in order for Bill C-190 to be withdrawn it would be necessary for the House to give unanimous consent and he thought this would not be forthcoming from the opposition. Believing that it would, and hoping that the government agrees, all I need to do, seconded by the hon. member for York South (Mr. Lewis), is to move:

That this House gives consent to the President of the Treasury Board to withdraw from the order paper government order No. 38, namely the order for the second reading of Bill C-190, an Act respecting the Auditor General of Canada.

Mr. Hees: Now what are you going to do?

Mr. MacEachen: Mr. Speaker—

Mr. Speaker: Order, please.

An hon. Member: Sit down.

Mr. MacEachen: Mr. Speaker.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Winnipeg North Centre. As is well known by now, hon. members realize that the unanimous consent of the House is required for this motion to be put. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Trudeau: Carried.

Mr. Speaker: Is there unanimous consent? It is very difficult, I must say—

Some hon. Members: Oh, oh!

Mr. Speaker: I wonder whether a voice vote is appropriate in such circumstances. I must say that I could not hear any nays or dissenting voices.

Some hon. Members: Hear, hear!

Mr. Speaker: My understanding is—

Mr. Fairweather: Where is Drury?

Some hon. Members: Where is he?

Mr. Speaker: My understanding is that the motion is now to be put. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. Speaker: Carried.

Motion agreed to.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, had I been given the opportunity a little earlier I could have saved the House some time.

An hon. Member: Oh, come off it.

Mr. MacEachen: I should like now to do what I intended to do when I got to my feet—

Some hon. Members: Oh, oh!

Mr. MacEachen:—and that is to ask, on behalf of the President of the Treasury Board, for the withdrawal of Bill C-190 from the order paper.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. From a procedural standpoint I doubt whether the motion proposed by the minister is in order. My understanding is that the motion under Standing Order 43 has been put and agreed to by the House. I would not think that anything further is required at the present time.

Some hon. Members: Oh, oh!

An hon. Member: Fire him!

Mr. Speaker: Order. Hon. members will realize that this is a very novel situation. There are few precedents that I know of and I would certainly like to hear the

opinions of hon. members on the procedural aspect of the matter, whether we can at this point by discussing the matter further reflect in this way on a vote or whether it is required, the vote having been taken, that the President of the Treasury Board be given the unanimous consent of the House to withdraw the bill.

Some hon. Members: Hear, hear!

Mr. Speaker: Perhaps the President of the Privy Council might like to attempt to enlighten the Chair on this point.

Mr. MacEachen: Mr. Speaker, as I read the first adopted motion, the House gives consent to the President of the Treasury Board to withdraw the bill. Presumably there is then required an action on the part of the President of the Treasury Board, that of asking to withdraw the bill. In other words, the motion gives consent, but there is a requirement to be fulfilled on the part of the President of the Treasury Board in order to withdraw the bill. That is my view—

Some hon. Members: Oh, oh!

Mr. MacEachen:—procedurally, and that is why I ask on behalf of the President of the Treasury Board—

Mr. Speaker: Order, please.

Mr. MacEachen:—for consent to withdraw the bill.

Mr. Speaker: Order, please. I doubt that it is necessary to hear further argument. I agree with the point of view of the President of the Privy Council. The motion is that this House gives consent to the President of the Treasury Board to withdraw. He has to be given an opportunity to withdraw, the House having given unanimous consent.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on the point of order may I suggest that the House has given its consent to this *ex post facto* request.

An hon. Member: Right.

Mr. MacEachen: Mr. Speaker—

Mr. Woolliams: Apparently the minister does not know what he is doing.

Mr. MacEachen: Mr. Speaker, I never expected such co-operation from the hon. member for Winnipeg North Centre.

Some hon. Members: Oh, oh!

Mr. MacEachen: I gather now, Mr. Speaker, that from a procedural point of view I may ask on behalf of the President of the Treasury Board to withdraw the bill affecting the Auditor General of Canada which is on the order paper at present.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The point is quite clear. Has the President of the Privy Council leave to withdraw the said bill?

Some hon. Members: Agreed.

Order discharged and bill withdrawn.

[Mr. Speaker.]

CANADA DEVELOPMENT CORPORATION

PROVISION FOR ESTABLISHMENT, OBJECTS AND POWERS, BYLAWS, AND REPORT

Mr. Max Saltsman (Waterloo) moved for leave to introduce Bill C-204, to establish a Canada Development Corporation.

Some hon. Members: Explain.

Mr. Saltsman: Mr. Speaker, the purpose of this bill is to mobilize private and public funds and to channel them into investment serving the public interest of Canada as a whole, and to expand the public sector of the economy where necessary for the growth of the economy, for national planning and for increasing Canada's independence.

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

ORAL QUESTION PERIOD

NATIONAL SECURITY

NEGOTIATIONS FOR RELEASE OF JAMES CROSS BY KIDNAPPERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister whether he has any information to give the House about Mr. James Cross?

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. During the course of last night, police forces undertook an intensive search in order to locate Mr. Cross and his kidnappers as well as the killers of Mr. Laporte.

Following this action, the police received a note from the presumed kidnappers of Mr. Cross calling for discussions between a person designated by them and a representative of the governments. This morning, the representative of the federal and Quebec governments, Mr. Robert Demers, initiated such discussions.

The House will remember that several weeks ago the governments offered those holding Mr. Cross as a hostage a safe-conduct in exchange for his release. The offer still stands, and representatives of the Department of External Affairs are now in Montreal to make arrangements in connection with this safe-conduct, if necessary. The House will understand that, as discussions are now in progress, I cannot give more information at the present time.

However, Mr. Speaker, the Justice Minister (Mr. Turner) or myself will report to the House on any important new development.

[*English*]

AUDITOR GENERAL

DOWNGRADING OF POSITIONS OF SENIOR OFFICERS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Privy Council in his capacity as Government House Leader. Does the authority he is exercising for the President of the Treasury Board in the House today include the authority to indicate to the House that the red circling of the senior staff in the office of the Auditor General will now be discontinued?

Some hon. Members: Hear, hear.

Hon. Allan J. MacEachen (President of the Privy Council): No, Mr. Speaker, my authority does not extend that far, but it does extend far enough to ask the hon. member to co-operate with me in cleaning up the other items on the order paper as quickly as possible.

Some hon. Members: Oh, oh!

Mr. Muir (Cape Breton-The Sydneys): You are a poor loser.

DOWNGRADING OF POSITIONS OF SENIOR OFFICERS—RECONSTITUTING OF COMMITTEE

Mr. G. W. Baldwin (Peace River): As it appears quite certain that the efficiency and effectiveness of the staff of the Auditor General are being greatly impaired, will the government review the entire situation with a view to reconstituting the government committee which was examining this matter?

An hon. Member: Will you come?

Mr. Baldwin: My question is, in view of the fact—

Mr. Trudeau: To whom are you directing the question?

Mr. Baldwin: I am directing my supplementary question to the President of the Privy Council who apparently is answering today for the President of the Treasury Board. Will the minister discuss with the President of the Treasury Board the immediate necessity of reconstituting the government committee which was dealing with this matter so that at the earliest possible time the order downgrading the staff of the Auditor General can be revoked and proper arrangements made so that his staff will receive recognition?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I will be happy to convey this representation to the President of the Treasury Board. I hasten to add that I was acting for the President of the Treasury Board with respect to the matter which related to the business of the House. I am not acting for him in any other respect.

Mr. Baldwin: I will direct my supplementary question to the Prime Minister who seemed quite interested in this matter a little while ago.

Mr. Trudeau: What do you want to ask me?

Inquiries of the Ministry

Mr. Thomas M. Bell (Saint John-Lancaster): Will the Prime Minister reconsider the position of one of his ministers in this whole matter and, if necessary, ask for his resignation?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): As a result of this whole episode, Mr. Speaker, I certainly will advise my ministers that if there are any unanimous recommendations from standing committees over which the opposition has control, we should not automatically give implementation or credence to those recommendations from a committee which the opposition controls.

Some hon. Members: Hear, hear!

Mr. Baldwin: A further supplementary question, Mr. Speaker. Will the Prime Minister consider implementing the unanimous recommendation made last year by the Public Accounts Committee dealing with the *Bonaventure*, which the government apparently did not like?

Mr. Speaker: Order, please.

* * *

[*Translation*]

NATIONAL SECURITY

NEGOTIATIONS FOR RELEASE OF JAMES CROSS BY KIDNAPPERS—NAME OF FLQ REPRESENTATIVE

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to put a question to the right hon. Prime Minister. A few moments ago he told us that the counsel for the governments, Mr. Demers, had negotiated the release of Mr. James Cross. Could he say who was the other representative?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, at this stage I cannot answer the question, all the less as I did not understand it.

* * *

[*English*]

LABOUR RELATIONS

USE OF UNITED STATES COST OF LIVING INDICES IN CANADIAN WAGE INCREASE AGREEMENTS

Mr. Gordon Ritchie (Dauphin): I have a question I should like to ask the Minister of Labour, Mr. Speaker. Having regard to discussions which are now under way in the automobile industry, does the government support the use of United States cost of living indices as a means of calculating wage increases in connection with Canadian wage agreements?

Mr. Speaker: Order. The hon. member is inviting the minister to make a statement which I suggest is much too general in nature. I do not think a question in those terms is acceptable at this point.

Inquiries of the Ministry

HEALTH

EFFECT OF CERTAIN BRANDS OF TOOTHPASTE ON TOOTH ENAMEL

Mr. Heath Macquarrie (Hillsborough): My question is directed to the Minister of National Health and Welfare. It is based upon a recent study by the American Dental Association which found that some brands of toothpaste were of such abrasive quality as to be harmful to tooth enamel. Can the minister advise whether similar studies are being conducted in Canada and, if so, what measures are being taken to safeguard Canadian users from any harmful effects?

Mr. Speaker: Order. I do not know how urgent this question is either to the minister or to the hon. member, but I doubt very much whether there is sufficient urgency at this time to enable the Chair to accept it. If there is urgency which is not apparent to the Chair, the matter can be discussed at the time of the adjournment, but I suggest that the question is not acceptable from a procedural standpoint at this time.

* * *

EXTERNAL AFFAIRS

STUDY OF NATO'S OUTLOOK—REPORTED CRITICISM BY MINISTER OF NATIONAL DEFENCE

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to address a question to the Prime Minister. Was the Minister of National Defence expressing the official view of the Canadian government when, as has been reported, he criticized the study of NATO's outlook for the seventies which calls for an improvement in the conventional armed strength of that organization, by describing it at the NATO ministerial meeting as not imaginative enough?

Right Hon. P. E. Trudeau (Prime Minister): I do not know whether the question refers to a policy statement of NATO itself or a government policy statement.

Mr. MacLean: Both, Mr. Speaker. My question refers to the reported criticism by the Minister of National Defence of this NATO study. I was inquiring whether this criticism had the authority of the Canadian government.

Mr. Trudeau: To the extent that the NATO study departs from our own policy statements it does, of course, have the authority of the government. The policy of the government in this regard has been made known. To the extent that it does not depart, it concerns something with regard to which the government has made no policy statement as yet.

Mr. MacLean: May I ask whether, on their return from Europe, the Secretary of State for External Affairs or the Minister of National Defence will make a statement to the House on motions reporting on the meetings so that the House may be fully aware of Canada's stance at these meetings?

Mr. Trudeau: I will ask the ministers to consider that suggestion.

[Mr. Speaker.]

PENITENTIARIES

PRINCE ALBERT—REASONS FOR SUSPENSION OF CERTAIN MEMBERS OF STAFF

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Justice who I assume is also Acting Solicitor General today. Can the minister tell us whether the six staff members at Prince Albert Penitentiary who have been suspended were suspended as a result of the investigations of the board of inquiry which, at least a few days ago, was looking into the riot and fire which occurred at the penitentiary?

Hon. John N. Turner (Acting Solicitor General): I have not yet received a report on this particular aspect of the affair but I shall be in touch with the hon. member.

Mr. Howard (Skeena): Am I to assume from that reply that the minister has received some reports on some aspects of the affair?

Mr. Turner (Ottawa-Carleton): All I meant to say was that I have been briefed by the Deputy Solicitor General on this matter but that I have not received the information which the hon. member is seeking.

PRINCE ALBERT—INVESTIGATION OF CONDITIONS BY STANDING COMMITTEE

Mr. John Burton (Regina East): I should like to address a question to the President of the Privy Council. In view of the serious situation which appears to have developed at Prince Albert Penitentiary, and the fact that the Standing Committee on Justice and Legal Affairs does not have a heavy workload before it, would the government consider giving this committee terms of reference which would enable it to visit the penitentiary to examine the conditions there at first hand?

Hon. Allan J. MacEachen (President of the Privy Council): I would be happy to discuss that suggestion with the chairman of the committee.

* * *

TRADE

AGRICULTURE—REASONS FOR 1969 DEFICIT—PROSPECTS FOR 1970

Mr. Paul Yewchuk (Athabasca): My question is for the Minister of Agriculture, Mr. Speaker. In view of the fact that in 1969, one year after this government came to power, and for the first time in the history of Canada, there was a trade deficit—

Mr. Speaker: Order. The hon. member knows he has the floor for the purpose of asking a question.

Mr. Yewchuk: I was just coming to it, Mr. Speaker. I was about to say that there was a trade deficit of approximately $36 million in the agricultural industry. Would the minister indicate now or make a statement on motions as to what the reasons for this may be and what the prospects are in this area for 1970?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, one of the reasons, which is well known to all members of the House, is that for that particular year there was a very sharp decline in exports of grain. The predictions of my colleague are to the effect that this will be corrected, and that correction is already under way.

* * *

GRAIN

ADDITIONAL SALES—MOVEMENT INTO EXPORT POSITION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the minister in charge of the Wheat Board. The minister has talked about sales of grain, yet grain is still piled up on farms and the country elevators are plugged. If there have been all these sales made, why is the grain not moving?

Hon. Otto E. Lang (Minister of Manpower and Immigration): It is certainly true, Mr. Speaker, that a large quantity of grain is on hand, and this is the reason for certain action that we took last year, which was not necessarily supported by the hon. member opposite. Grain is moving very rapidly out of the country elevators. The country elevators were congested at the beginning of this crop year, but it is my hope that we need not operate them in that fashion in the future.

Mr. Woolliams: In light of the sarcastic answer of the minister—

Some hon. Members: Oh, oh!

Mr. Woolliams: —would the minister now be more practical and tell the House when quotas will be increased in order to move the grain?

Mr. Lang: Mr. Speaker, quotas have been increasing steadily as grain is required in the movement. The hon. member may not be aware of the fact that there is a ten bushel quota for barley, a three bushel quota for Durum, a two bushel quota for wheat generally, a five bushel quota for rye, and an eight bushel quota for rapeseed, and so on.

Mr. Speaker: Order. The Chair will allow one more supplementary to the hon. member for Calgary North but we will go on with another subject after that.

Mr. Woolliams: I put this supplementary question to the minister. There may be the quotas he describes, but will he tell the House why grain is not moving off the farms to the country elevators in line with these quotas? That is my question, and I say to the minister he should stop misrepresenting the facts.

Mr. Speaker: Order, please.

[*Later:*]

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, is the minister not aware that the quota on rye now is eight bushels rather than the five bushels he mentioned a few moments ago?

Inquiries of the Ministry

NATIONAL SECURITY

WAR MEASURES ACT—REQUEST FOR COPY OF STATEMENT BY QUEBEC MINISTER OF JUSTICE ON SEARCHES, ARRESTS, ETC.

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to the Minister of Justice. Would he be good enough to obtain a copy of the statement made yesterday by the Quebec Minister of Justice in the National Assembly of that province giving details of the searches and arrests and other matters since the proclamation of the War Measures Act, and table that statement in the House?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I would be glad to do that. I checked the figures myself and they agree with the figures I delivered on behalf of the RCMP as of November 24, 1970. I will be glad to get those figures.

Mr. Lewis: I understand from press reports that the Minister of Justice of Quebec did not merely give the figures that the Minister of Justice gave us here but also gave other breakdowns. This is the information that I hope the minister will agree to table.

Mr. Turner (Ottawa-Carleton): As I understand it, Mr. Speaker, the Minister of Justice of Quebec tabled in the National Assembly in response to a written question details somewhat more full than those that have been required of me here. But so far as they relate to the figures I have given the House, they do correspond.

WAR MEASURES ACT—INVESTIGATION OF BEATING OF PERSONS ARRESTED

Mr. David Lewis (York South): Has the Minister of Justice been in touch with the Minister of Justice of Quebec regarding the inquiry into the alleged mistreatment of some of those who were imprisoned under the War Measures Act regulations, and has the minister any report he can make to the House, either briefly now or on motions at an appropriate time?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, my last conversation with the Attorney General of Quebec on that particular subject was on Monday, and I did report to the House at that time. I have nothing further to add at the moment.

[*Translation*]

WAR MEASURES ACT—PAYMENT BY QUEBEC FOR SERVICES OF ARMED FORCES

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

Can he tell us whether the statement of the Quebec Minister of Justice, to the effect that the services of the armed forces in Quebec are costing $500,000 a day, is correct?

Hon. John N. Turner (Minister of Justice): There is no reason why I should confirm that, Mr. Speaker. That is the responsibility of the Quebec National Assembly.

Inquiries of the Ministry

Mr. La Salle: Mr. Speaker, I should like to put a supplementary question to the Prime Minister.

In view of the fact that Bill C-181 has been passed, could the Prime Minister tell us who, in due course, will pay the cost of the services of the Canadian armed forces in Quebec?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe I have already answered that question four or five times.

When an agreement has been reached between the province of Quebec and the federal government, I shall be pleased to give further details.

* * *

[*English*]

GRAIN

SUPPLEMENTARY REPORT OF WHEAT BOARD FOR 1968-69 CROP YEAR—POOL ACCOUNTS DEFICITS

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, I have a question for the minister in charge of the Wheat Board. Can the minister inform the House when the supplementary report of the Canadian Wheat Board for the crop year 1968-69 will be available?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, this report is in the hands of the printers and should be available perhaps in a couple of weeks for tabling. May I add that contrary to the indication given in the committee yesterday the order in council in connection with the wheat pool was passed on September 23.

Mr. Douglas (Assiniboia): Can the minister inform the House of the deficits in each of the pool accounts for wheat, oats and barley for the same year, 1968-69, which the federal treasury has been obliged to underwrite in recent months?

Mr. Speaker: Order. I would think that that question is of a statistical nature. My limited understanding of these complicated matters would lead me to believe that this is the kind of question that should be asked in writing on the order paper.

* * *

HOUSING

PREVENTION OF INCREASES IN RENTS PAID BY SENIOR CITIZENS AND PEOPLE ON LOW INCOMES

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the minister responsible for housing. In order to give further recognition of and sympathy toward the housing problems faced by our senior citizens and people on low incomes, and in light of recent proposals contained in the government white paper on income security for Canadians announced by his colleague, can the minister assure the House that the government will take steps to prevent immediate increases in rent for senior citizens or families living in public housing developments where rents are geared to income?

[Mr. Turner (Ottawa-Carleton).]

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, to the degree possible we will do so. In fact, the rent to income scale which I suggested in the public housing guidelines last year is pertinent and those guidelines are generally moving toward implementation by the provinces; but the fact of the matter is that that kind of decision is primarily one for provincial exercise.

Mr. Alexander: Would the minister pass on the information I have given him this afternoon in order that we may have some consensus in regard to the plight of our senior citizens and those on lower incomes?

CHANGE IN INTEREST RATE ON LOANS TO SOCIETIES FOR SENIOR CITIZENS' ACCOMMODATION

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I should like to ask the minister in charge of housing whether the government is giving any consideration to changing the interest rate on loans to societies to be used for financing senior citizens' housing, which loans at the present time are paid back over a 50-year period at approximately two and a half times the principal?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, the interest rate on directed social housing programs has an immediate relationship to the cost of borrowing to the government, a matter constantly subject to examination, always with the desire of bringing the rate down.

* * *

REGIONAL ECONOMIC EXPANSION

ARGENTIA, NFLD.—REPORT ON EFFECTS OF CLOSING OF UNITED STATES NAVAL STATION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Can the minister tell the House whether he has yet received a report from the task force appointed by him some time ago to investigate the economic plight of people living in the Argentia area of Newfoundland caused by the closing down of the United States naval station in that region?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I will inquire if I have received a report lately.

* * *

[*English*]

NATIONAL DEFENCE

LENGTH OF EMPLOYMENT TERMINATION NOTICE TO SURPLUS WORKERS

Mr. Doug Rowland (Selkirk): Mr. Speaker, I have a question for the Acting Minister of National Defence; I gave notice of the question last week. On May 15, 1970, as reported at page 7011 of *Hansard*, in an exchange between the minister and myself the minister indicated that any employees whose employment would be ter-

minated as a result of Canadian Forces base closures would receive six months' notice. I should like to ask whether this policy is still in effect and, if so, has the minister investigated whether civilian employees at the Canadian Forces base at Gimli and other bases subject to closure are being declared surplus to requirements and having their employment terminated in a lesser period than six months?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, I have been given a folder today from the Minister of National Defence but there is no reference to this question in it. The best I can assure my hon. friend is that I will bring it to his attention or, if he is delayed in returning to Canada, we will try to obtain an answer for the hon. member.

* * *

PUBLIC WORKS

EARLY CONSIDERATION OF ESTIMATES BY STANDING COMMITTEE

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have a question for the Minister of Public Works. In light of the fact that the Standing Committee on National Resources and Public Works did not study the estimates of that department last year, will the minister agree to table his estimates at an early date so that committee may make an early start and thoroughly discuss the matter of wharf and harbour facilities particularly in the Atlantic area?

Hon. Arthur Laing (Minister of Public Works): I would be agreeable, Mr. Speaker.

* * *

INQUIRY OF THE MINISTRY

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Will the minister give consideration to undertaking a special manpower training program for the hundreds of Nova Scotians who have been forced out of their jobs by the new Liberal government in that province?

Some hon. Members: Oh, oh!

Mr. Speaker: Order.

* * *

GRAIN

WHEAT—IMMEDIATE INCREASE IN DELIVERY QUOTA

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the minister responsible for the Wheat Board. Would the minister give immediate consideration to increasing the quota on wheat from two bushels in order to provide badly needed cash to the farmers and to fill the half empty elevators on the Prairies, as requested by the Manitoba wheat pool?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the question of raising quotas is in the hands of the Wheat Board which has been studying carefully both the requirements for grain and also the handling efficiency of the elevator system. I hope the hon. member is not suggesting that it is in fact a wise move to plug the elevators to the hilt so they are incapable of handling—

Mr. Speaker: Order, please. I suggest that the minister's comment is argumentative.

Mr. Dinsdale: In view of the expanded exports and before the severity of winter sets in, would the minister instruct the Wheat Board to increase the quotas?

PRODUCTION AND RECEIPTS POLICY—REQUEST FOR STATEMENT ON TIMETABLE AND POSITION OF FARM LEADERS

Mr. A. P. Gleave (Saskatoon-Biggar): May I ask the minister whether, in view of the severe and specific criticism levelled at the minister's proposed cereal grain policy by the president of the Saskatchewan Wheat Pool and other farm leaders, and in view of the indication by the minister that this program will be finalized before the year's end, he will make a statement on motions to the House early next week setting out the government's time-table and his program for consultations with farm leaders?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I am not sure that a statement next week on a timetable would be useful. I ask the hon. member to refer back to the comments of the president of the Saskatchewan Wheat Pool. His comments have in fact been very constructive and helpful in our consideration of these proposals.

Mr. Gleave: Mr. Speaker, would the minister then consider setting before the House the considered opinions of the farm leaders and others who have considered this policy in order that the House might be informed?

Mr. Lang: Mr. Speaker, the farm leaders and others have this issue under very serious consideration. They have not yet given me any final view on their positions, but we anticipate having further discussions with them within the next ten days or so.

PRODUCTION AND RECEIPTS POLICY—FARM CONSOLIDATION PROGRAM

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a supplementary question for the minister in charge of the Wheat Board. Now that the proceedings of the Canadian Agricultural Congress have been completed, can the minister indicate to the House when he will be in a position to elaborate on the proposed policy of farm unit consolidation as outlined in the grains policy?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I think this is a general reference in the grains policy to programs which are being actively reviewed by my colleague the Minister of Agriculture.

Inquiries of the Ministry

PRODUCTION AND RECEIPTS POLICY—INQUIRY AS TO STATEMENT BEFORE CHRISTMAS

Mr. John Burton (Regina East): Mr. Speaker, may I ask the minister in charge of the Wheat Board whether, after the consultations are completed as referred to by the hon. member for Saskatoon-Biggar and the government has reached a decision, the minister will be in a position to make a statement on motions before the Christmas recess outlining the final program position of the government in respect of the grains policy proposal?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I do not expect it will be possible to do that before the Christmas recess.

* * *

NATIONAL SECURITY

NEGOTIATIONS FOR RELEASE OF JAMES CROSS BY KIDNAPPERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he is now in a position to give any further information concerning Mr. Cross in view of the news reports that have been issued in this regard? I do not wish to press for any disclosure the Prime Minister might consider improper, but is there any further information he can give the House now?

Right Hon. P. E. Trudeau (Prime Minister): Of course I have not left the House since I last answered the question and I have no further information, although I too am receiving press reports to the effect that a car is on the way to St. Helen's Island. I have no information at this moment as to who is in the car.

* * *

[*Translation*]

UNITED NATIONS

PRESENCE OF AGRICULTURAL EXPERTS ON CANADIAN DELEGATION

Mr. Adrien Lambert (Bellechasse): In the absence of the Secretary of State for External Affairs, I should like to put my question to his Parliamentary Secretary.

Considering the significant Canadian contribution to the food program in under-developed countries, through the United Nations, could the Parliamentary Secretary tell us whether there are some agronomists in the Canadian mission to the United Nations?

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the Canadian delegation to the United Nations is quite capably headed by the Ambassador Yvon Beaulne and in addition to the permanent staff which is assisting him, the government sends each year a certain number of experts who take part in the proceedings of the United Nations committees. However, the Canadian International Development Agency regularly uses the services of agronomists and farm experts.

[*English*]

COMBINES

SUGGESTED INVESTIGATION OF SO-CALLED PRICE WAR AMONG GROCERY CHAINS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs arising out of a question I asked about a week ago concerning the alleged price discount war among the major grocery chains of the country. Further to the question I asked on that occasion, has the minister requested members of his department to look into what might appear to be a fraudulent advertising campaign advising people that prices are being cut when in some cases they appear to be increasing? Has the minister requested officials of the Combines Investigation Branch of his department to look into this price war to ascertain if any pricing agreements or arrangements are being made among these major grocery chains?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, my officials have been instructed for quite some time to make sure that the Combines Investigation Act is observed.

* * *

[*Translation*]

HEALTH

QUEBEC—MEASURES TO ASSURE REASONABLE LEVEL OF MEDICAL SERVICES

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I wish to address a question to the hon. Minister of National Health and Welfare.

As no agreement has yet been entered into between the government of the province of Quebec and the medical specialists, could the minister tell us what measures he intends taking to ensure decent health service standards?

Mr. Speaker: Perhaps the hon. member for Saint-Hyacinthe will admit with me that his question is of a rather general nature. It seems to me that the minister can only answer such an important question by way of a statement on motions unless he is in a position to reply to it briefly and quickly.

[*English*]

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I think I can explain briefly that the discussions I have had with my counterpart in the province of Quebec have indicated to me that health standards are not going to be prejudiced at all and that there is nothing in their legislation which is contrary to medicare.

* * *

IMMIGRATION

ENTRY OF SUBVERSIVES FROM COMMUNIST COUNTRIES

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In light of what may be

happening today in Montreal, will the minister immediately close, or cause to be much more selective, the entry into our country of persons from Cuba and other communist countries which support subversive activities in Canada?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I am not sure that there is a great deal of relevance between the two parts of the question put by the hon. member. There are, of course, rules in the Immigration Act and regulations to which I might refer him which deal with certain classes of persons whose entry into Canada is not desired, and I think these rules are fairly adequate. But I would be glad to receive any specific representations if the hon. member has some specific change in mind.

Mr. Alkenbrack: I am sure the minister understands the purport of my question. If these subversive persons are moved from Montreal to Cuba today, according to certain agreements that have been made, we do not want them back. That is why I ask him to close immigration from Cuba.

Mr. Speaker: Order, please.

* * *

NATIONAL SECURITY

IMPLEMENTATION OF RECOMMENDATIONS OF ROYAL COMMISSION

Mr. Erik Nielsen (Yukon): I have a question for the Prime Minister with respect to the recommendations of the Royal Commission on Security. Has the Prime Minister or the government made a decision to implement any more of its recommendations?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. There has been further consideration of some of the recommendations in that report, and the government will announce any change in policy in due course.

* * *

HEALTH

SAFETY DEVICES TO CONTROL EXHAUST EMISSIONS FROM PROPOSED NUCLEAR REACTORS

Mr. J. M. Forrestall (Dartmouth-Halifax East): My question is for the Minister of National Health and Welfare. Could the minister indicate to the House whether or not his department or any agency of the government has been in touch with United States authorities with respect to proposals to build a large number of nuclear reactors around the Great Lakes, and particularly with respect to the safety devices which would control the emissions from the exhaust stacks of such nuclear plants?

Hon. John C. Munro (Minister of National Health and Welfare): I will have to take notice of that question.

Inquiries of the Ministry

REGIONAL ECONOMIC EXPANSION

NEWFOUNDLAND WHITE PAPER DEVELOPMENT PROPOSALS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): My question is for the Minister of Regional Economic Expansion. Would the minister advise us whether his department has accepted the white paper proposals submitted by the province of Newfoundland for the development of the west coast, including all-weather highways, three national parks and two airports?

Mr. Speaker: Order, please. It seems to me to be a very wide question. Perhaps the minister might reply briefly.

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): We are considering this white paper in the same way as we consider other documents.

[*English*]

DISCUSSIONS WITH PROVINCES ON LEGISLATIVE CHANGES RELATED TO VARYING ECONOMIC CONDITIONS

Mr. John Burton (Regina East): I wish to direct a question to the Minister of Regional Economic Expansion. Is the government currently carrying on discussions with the provinces concerning possible changes in regional development legislation as they relate to current economic conditions in various parts of Canada?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, we are in constant contact with the provinces on the subject of insufficiently developed areas and we are now making particular efforts to solve the problems that arise.

[*English*]

Mr. Burton: Is the government considering extending the scope of regional development incentive grants beyond secondary industry, or is it also considering the establishment of more special areas where—

Mr. Speaker: Order, please. The hon. member is inviting the minister to make a very general statement which normally should be made on motions.

* * *

INFORMATION CANADA

AVAILABILITY OF ALLEGED DIGEST OF RESPONSES TO GOVERNMENT ANNOUNCEMENTS

Mr. Thomas M. Bell (Saint John-Lancaster): I have a question for the minister in charge of Information Canada further to my efforts to obtain information on Information Canada. Would the minister now like to revise his answer of yesterday when he stated there would be no digest of comments on government announcements as referred to in my question?

Hon. Robert Stanbury (Minister without Portfolio): In the way the question was phrased there seemed to be some idea in the hon. member's mind that there would be a digest of responses to government announcements. I know of no such digest. In trying to search my mind for what he might be talking about I thought it might be a report on the feedback of comments, concerns, expressions of opinions or inquiries that come through the inquiry centre from time to time. If that is what he has in mind, we hope to issue a report of that kind once a month. Since the inquiry centre just opened, probably the first one might be at the end of the year and then once a month after that. Of course members of all parties would receive those reports at the same time.

Mr. Bell: Now that we understand each other, may I be assured that we will receive these reports in Parliament in the same way that other persons will outside Parliament and that they will tell us how the latest reaction to government announcements have fared in public print, to use the exact words of one of his departmental officials?

Mr. Stanbury: The reports, as I have just mentioned, will go to all Members of Parliament at the same time.

Mr. Bell: And they will not be selective?

Mr. Speaker: Order, please.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to ask a supplementary question of the minister responsible for Information Canada.

Since several requests have been made by some colleges or CEGEPs in order to get better information in respect of Canadian politics, would the minister be in favour that his department distributes to junior colleges or CEGEPs in Canada, or at least in my riding,—since the question originated there—some information coming directly from Information Canada?

Mr. Stanbury: Mr. Speaker, Information Canada's budget does not allow this service, but I am willing to discuss it with the hon. member and my colleagues.

In my view, the suggestion to provide colleges with as much information as possible concerning the federal government is excellent.

* * *

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, may I ask the President of the Privy Council about the business for the rest of this week and for next week and whether he has any indication now of the target date for the recess?

Mr. MacEachen: I thank the hon. member for his question. Today we hope to continue with the debate on the Old Age Security Act. It is understood that the debate will adjourn at 5 p.m. today so that the budget presentation can be made at 8 p.m. tonight. If it is necessary, I would like that to be put in the form of a House order.

Tomorrow we will resume the second reading of the Old Age Security Act if it is not completed today. If that is completed tomorrow, we will go on to Bill S-2, the Statistics Act, Bill C-184, the Export Development Act and Bill S-4, the Canada-New Zealand Trade Agreement. Tomorrow we can consult with regard to further business following these items, if necessary.

On Monday I would propose to call the budget debate. I do not wish to make any further announcement regarding the business next week until I have had an opportunity to meet the house leaders tomorrow morning following the budget presentation to discuss our plans.

With respect to the target date for adjournment, it had been the plan of the government to adjourn on December 18. I hope that it will be possible to reach an orderly arrangement to complete all the necessary business. I am not saying this in any way to create a controversy or confrontation.

Mr. Stanfield: No threat?

Mr. MacEachen: No threat. We must keep in mind that it may be necessary to sit beyond that date, but I think with co-operation on all sides we can adjourn on December 18 or near that date.

Mr. Baldwin: Now that the bill dealing with the Auditor General is out of the way, does that not help the hon. gentleman in fixing a target date?

Mr. Speaker: Order, please.

* * *

PRIVILEGE

MR. KNOWLES (WINNIPEG NORTH CENTRE)—REFERENCE BY PRIME MINISTER TO CONTROL OF PUBLIC ACCOUNTS COMMITTEE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege.

Some hon. Members: Oh, oh.

Mr. Knowles (Winnipeg North Centre): During the course of the oral question period the Prime Minister made reference to a committee of this House of which he said the opposition has control. It seems to me that it is a point of privilege to put on the record the fact that the Public Accounts Committee consists of 20 members, 10 Liberals and a total of 10 from the opposition side of the House—six, two, and two. The Chairman is a member of an opposition party. This means that when he is in the chair the votes are ten to nine in favour of the government. So it is the government which controls that committee.

Some hon. Members: Hear, hear!

[*Later:*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should like to reply to this question of privilege. I should like to indicate that there is obviously a disagreement on the matter of control between the hon. member and myself in view of the statement that I made. It was my impression, Mr. Speaker, that the party that named or appointed the chairman was in some degree in control.

Some hon. Members: Oh, oh!

Mr. Trudeau: If this is incorrect I do ask to withdraw my statement, but in exchange I suggest it might be better perhaps if in the future the chairman were from the government side and this would give the opposition control. We would be prepared to do that.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I suggest that the Prime Minister may wish to correct his words when he says that a certain party names the chairman. The chairman is named by the entire committee and does not represent a party.

Hon. Robert L. Stanfield (Leader of the Opposition): Also on the same question of privilege, Mr. Speaker, it was my understanding that the chairmen of committees were supposed to preside over the committees in an impartial way rather than try to control them. I must say that the Prime Minister's statement was rather shocking to me.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, the Leader of the Opposition is dead right, and that is why I suggest that in the future the chairmen should be a member from the Liberal party.

MR. NIELSEN—INFORMATION CANADA—REPLY TO QUESTION BY MINISTER

Mr. Erik Nielsen (Yukon): Mr. Speaker, I rise on a question of privilege. My question of privilege arises out of the answer given by the minister responsible for Information Canada to the hon. member for Saint John-Lancaster. Here I am referring to the Standing Committee on Miscellaneous Estimates, issue No. 25, the minutes of May 21, 1970, at page 25:47, where Mr. Phillips, Executive Assistant, Information Canada, was reported as saying:

> In other words, Information Canada will be providing analysis of public information media, clipping services, which will automatically go to all members of parliament, to the government, both sides of the House and to officials. But in addition to that, it will make media analysis digests on specific subjects where a department needs it for its own internal uses.

I want to ask the minister if that, indeed, is what is going to happen in the department?

Mr. Speaker: Order, please. That is not a question of privilege. The hon. member might have asked this as a question but the question period expired four minutes ago.

Mr. Nielsen: On the question of privilege, Mr. Speaker—

Mr. Speaker: Order, please. I suggest to the hon. member that he is not respecting well known rules of the House. This has nothing at all to do with privilege and I hope he keeps that in mind. I will hear the hon. member now.

Mr. Nielsen: Mr. Speaker, I want to press the question of privilege because it appears manifest that the minister's reply is different from the published evidence of a committee of this House. Either the minister is incorrect or was unintentionally misleading this House today or this evidence is incorrect, and the minister should be allowed to clarify the matter.

Mr. Speaker: Order, please. This could be done during the question period. I suggest to the hon. member that, as is well known to all members, debate as to facts cannot be termed or considered privilege. The hon. member cannot raise this matter as a question of privilege, and that is my ruling. Orders of the day.

• (3:10 p.m.)

GOVERNMENT ORDERS

OLD AGE SECURITY ACT

AMENDMENTS RESPECTING AMOUNT OF PENSION, MAXIMUM SUPPLEMENT AND ESCALATION THEREOF

The House resumed, from Wednesday, December 2, consideration of the motion of Mr. Munro that Bill C-202, to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Services.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, ever since the government took office it has led the elderly people of this country to hope for great things. We members know this because we have been receiving delegations, messages and letters from elderly people across the country asking to have their pensions upgraded, pointing out the gap between the cost of living and their pensions, and urging that something be done. Every time delegations came to Ottawa to meet the government they returned home with full hearts and empty hands. They were led to believe that relief was just around the corner, that the government was taking time to make a survey of their needs, what it would cost them to live in a modern way, and that when the package deal was ready they would be everlastingly grateful for having a government which was so considerate of elderly people.

I happened to be with a group of elderly people in my part of the country, British Columbia, the day after the announcement was made about the increase in pensions. The announcement stated that there would be a $5 increase beginning January 1 next. Mr. Speaker, the reaction among those people was one of dismay, disbelief, and disappointment. They were not taken in one little bit with the suggestion that this would be a $5 increase. This group of people had been struggling hard to keep on their own, to manage without the supplement. Without any loss of time they saw through the newspaper headline, and came to the very accurate and sensible conclusion that what they were being offered after January 1 was an increase of precisely 42 cents. As I say, their reaction was one of dismay, disbelief and disappointment. They could not bring themselves to believe that a government which had come into being with such a modern and progressive image of a true feeling for people, could accord them this kind of shabby treatment, and do it under the guise of giving a $5 increase when it was merely an increase of 42 cents. They were not deceived. They knew exactly that they were not only the poor, forgotten people but the disregarded people, the cast-aside people for whom the government had very little use.

As a matter of fact, Mr. Speaker, that announcement was made on the same day as the announcement concerning wage increases for people in some of the branches of the armed services. These people were appalled at the difference in the amount that could be found for people in the armed services compared with what could be found for them. They were not resenting the fact that the armed services got an increase in wages, but felt that if this government could find the money to give an increase to the military, then they could surely have no reason for pushing aside the pioneers of this country. One of the women at that meeting had already prepared a letter to send to Ottawa. As soon as the news came through, she had got busy with her pencil and paper and I quote here the relevant part of the letter which she wrote to the Minister of Finance (Mr. Benson):

> Mr. Benson, have you been quoted correctly in the *Vancouver Sun*, Friday, November 27, "Pensions Get $5 more January 1—The government will increase the basic old age pension by $5 to $80 a month?" As Finance Minister are you deliberately trying to talk double to Canada's senior citizens or is your computer at fault? How else would you dispute statistics—$5 plus $79.58 is $84.58—not $80? Every daily newspaper and Canada's T.V. and radio quoted your statistics with "$5 increase to $80." Stanley Knowles, M.P. corrected you with: "The increase is not $5, but only 42 cents." You denied. Even the recipients of the dole verified Mr. Knowles' statistics.
>
> Just review old age senior citizens' pensions from 1957 to 1963, when pensions jumped from $46 to $75, an increase of $29 in six years, or 40 cents a month;
>
> 1963 to 1968, pensions increased $75 to $76.50 in five years $1.50, or 2½ cents a month;
>
> 1968 to 1971, increase in three years of $3.08 or 80 cents a month.
>
> Total increase in 14 years of $1.22½ a month, about one-fifth of one per cent.

This is a letter from a woman of education, one who has busied herself in community affairs, who has never been on the dole and who has always kept her head above water. She had hoped to receive a pension enabling her to live to the end of her years in conditions commensurate with the services she had rendered. She points out that the total increase in the pension for the last 14 years has been $1.221/2 per month or about one-fifth of one per cent.

I want to point out to the government that the elderly people of this country have not been taken in and they realize that what is being done is to degrade them still further. They will not be impressed with this legislation. Naturally, any group that can get a little bit more is going to take it but that does not mean they are grateful or believe they have had a fair deal. They will realize as well as I do, now that they have seen the legislation, that this bill has the sour smell of poverty about it. There is no way around the fact that this government, which prides itself on modern ways, as far as elderly people are concerned has contented itself with giving them crumbs.

Old age pensions have never been set in line with the cost of living. In this country, they have always been set at a level consonant with the political expediency of the moment. Ever since the time when old age pensions were set at $20 a month at age 70, with a means test, they have had little relationship to what it costs to live. They were set at the level the government of the day believed it could get away with, and were scraped down to the last cent with the means test. The only time we have had an increase in old age pensions since then has been when there was a sufficiently strong organization of elderly people, when a few people in this House were prepared to go to bat for them and when public opinion made it necessary to give an increase. These increases have been niggardly in the extreme.

But this bill has some refinements of torture which are noteworthy, Mr. Speaker. For the first time, it makes the poor finance the destitute. It divides people receiving the old age pension into two classes, the poor and the destitute. To get the money, the government scrapes it off the backs of the poor, the upper group in that income bracket and makes them finance the lower group.

One thing during yesterday's debate which I remember very vividly was the minister's positive incredulity when he heard that of the 800,000 old age pensioners the 510,000 who will not get the supplement have incomes below $4,000. Most of these people are still in the poverty bracket, according to the figures of the Economic Council of Canada and the latest figures from Senator Croll of the Senate committee on poverty. The minister was genuinely incredulous when those figures were brought to his attention. As a matter of fact, he did not believe them and sought to take issue on their accuracy with my colleague the hon. member for Winnipeg North Centre (Mr. Knowles). I think the minister should know by now the utter futility of trying to take issue with that hon. gentleman on facts and figures concerning old age pensions.

If there is one member in this House who has lived for pensioners in the lower income group, and that includes the public service, the armed forces, the railways and

everybody else on low pensions, he is the hon. member for Winnipeg North Centre. Yet when it was pointed out to the minister that the 510,000 old age pensioners who will lose this supplement were still in the poverty bracket, he just did not believe it until the member proved it with figures from the government's own white paper. The minister had spoken with approval of the fact that, by cutting off the 2 per cent escalator from the people who would not get the supplement, the government this year would save $15 million and by 1975 would save $100 million in handling old age pensions. In other words, they would use this money to help finance the really destitute among old age pensioners.

No wonder my colleague referred to this as the rationing of old age poverty. It is exactly that. It is simply saying to the whole group of old age pensioners and elderly people in this country at age 65, "We are not going to go near the people who have the real money in this country in order to help finance a pension in line with the cost of living; we are going to get the money from those of you who are better fixed in order to meet the needs of the completely destitute." That is what the government is saying. As a matter of fact, the minister spoke with pride as though he were a Robin Hood robbing the rich to help the poor, instead of a comfortably insulated cabinet minister compelling poor old age pensioners to finance those who are even poorer.

Why not get this money from the rich? Something else that happened yesterday struck me vividly. When this suggestion was made to the minister I remember the sort of hopeless shrug he gave. He probably has been keeping track of what has been happening to the white paper on taxation. We know the response the white paper on tax reform has invoked. Rich corporations and better off groups of citizens have come here and utterly refused to accept a fair taxation system for this country. I am glad the minister has returned to the House. I am sorry he did not have the intestinal fortitude to say, "We are going to bring in a good pension, a modern pension, that will allow the older people of this country to live decently, and we are not going to do that by taxing other old age pensioners. We shall tax those people who are capable of bearing on their shoulders those who have given of their best to this country."

• (3:20 p.m.)

Some hon. Members: Hear, hear!

Mrs. MacInnis: I wish he had done that. In many ways the minister is courageous, but I suspect that in this case he allowed himself to be dominated either by other members of the cabinet. I see that he shook his head when I mentioned the cabinet. Well, certain sections of the public must have influenced him. I do not know which is worse, being dominated by the cabinet or by the public.

Mr. Lewis: The minister shook his head because he was in pain.

Mrs. MacInnis: Maybe he has a headache.

Mr. Lewis: Perhaps he was not suffering very much before this.

Mrs. MacInnis: If he has a headache now, I can only say that it will get much worse when the elderly people of this country find out what is being done to them not for them, but to them. Perhaps the elderly did not organize too well in times gone by; but I predict that they will organize now, and they will have the support of other sections of the community which know what a very mean and dastardly thing has been done to these pensioners.

An hon. Member: Oh, no.

Mrs. MacInnis: Another thing that surprises me about the minister is this. One of his reasons for denying the 510,000 people involved the benefit of the 2 per cent escalator clause is that he believes the cost of living will not go up this year. What on earth gives him that idea, I do not know.

Mr. Gilbert: He must be on drugs.

Mrs. MacInnis: I do not know what kind of drugs he is on, but I suspect he became intoxicated with his own rhetoric yesterday. I see no other reason for his attitude. As Senator Croll and others have ascertained, the cost of living in the last two years has gone up 8 per cent. But suddenly the minister predicts that those increases are all in the past, and that living costs will not rise this year. Why should they not, particularly since just a day or two ago the chairman of the Prices and Incomes Commission decided to forego moral suasion. The commission, which has been the tool the government has used to persuade the rich and suggest economic controls for the poor, has given up any hope of persuading the rich to keep the cost of living within bounds. The commission cannot do that, as we said from the beginning. Until such time as we put all incomes into the pot and determine the proper relationship between different kinds of incomes, we shall not be able to control the cost of living.

One of the bad features of this bill to which we have drawn attention, and I think this is very bad, is this. It will divide old age pensioners into two groups. One group will be compelled to finance the other, and I think that is very bad.

Mr. Munro: Would the hon. member permit a question, Mr. Speaker.

Mrs. MacInnis: Go ahead.

Mr. Munro: I was wondering whether you are one of those in the NDP who advocates the guaranteed annual income?

Mrs. MacInnis: Yes.

Mr. Munro: Then, do you feel that there is—

Mr. Deputy Speaker: Order, please. The minister has permission to ask a question, but he ought to direct it to the Chair.

Mr. Munro: Yes, Mr. Speaker. I asked the hon. member whether she advocates the guaranteed annual income. Implicit in that position is there not this: that that will divide the whole population into those who qualify for it and those who do not?

Mrs. MacInnis: I cannot see that.

Mr. Munro: What is the difference between that principle and the one we are debating here?

Mrs. MacInnis: I cannot see that the guaranteed annual income concept would divide our people any more than our income tax laws at present divide our people. I cannot see the minister's point. It is not valid, I submit. Yet, we are dividing the old age pensioners into two groups and saying to one group, "You must finance the other." We are taking money from one group in order to finance the other. I cannot see any other explanation for it. In other words, the minister here is creating, if I might use the term, the poor poor and the rich poor.

Mr. Munro: Where are we to obtain the $194 million, if we allow this 2 per cent to all?

Mrs. MacInnis: I was talking about 510,000 people. The government says that it cannot raise this money, because there is none available. Yet it is not ashamed to go to our old age pensioners, who have a hard enough job as it is keeping their heads above water, and say, "We are going to make it impossible for some of you to obtain the supplement, and we are going to cut off, for some of you, the 2 per cent escalation benefit." The government knows perfectly well that by doing this to the better-off old age pensioners, the rich poor, it will lower their standard of living and increase their insecurity. The minister knows that full well. The "rich poor" pensioners are still below the poverty level. Nevertheless, the government has decided that these people do not need help and they have therefore been excluded from the benefits of the 2 per cent escalator clause.

In addition, these pensioners cannot obtain the supplement. These 510,000 people are below the $4,000 a year income mark. Many of them live in very precarious circumstances indeed. First, they have no hope of obtaining the supplement. Second, the escalator provision is denied to them. Third, some of them are worrying right now as to what will happen to their rents. In times gone by, whenever pensioners received even a small pension increase, landlords raised their rent. What will the minister do about that? I know perfectly well what he will do. He will hide behind the excuse that he and his colleagues have always used that rent controls are a provincial matter and that they have no intention of talking to provincial governments in order to obtain some kind of rent control system. What is the sense of increasing a pension at all if every time you increase it the increase is gobbled up by the landlord? That has been happening to many of our elderly people.

And what happens if they have other income? They will not be allowed the supplement on account of that other income. Many of these elderly people have pitifully small pensions from other sources. I know that many women teachers have bombarded me and the minister too, I have no doubt, with letters pointing out that they contributed to their pensions when pensions were much, much lower, and that these small pensions have shrunk in purchasing power. Now, their means are very slender. If they were to get the supplement, their pension might be big enough. But its purchasing power is shrinking all the time. However, under the new regulations, the $80 a month basic pension is to be frozen in perpetuity or until such time as this government either changes its mind or is dismissed.

An hon. Member: Then, it will be continued in perpetuity.

Mr. Monteith: No. The government will be changed.

Mr. Gilbert: That is quite right.

Mrs. MacInnis: What about the question of income security? The white paper was to deal with the question of income security for Canadians. Only one thing is clear and only one thing is guaranteed under the white paper so far as old age pensioners are concerned. The poverty of our elderly people is to be maintained. They will not be lifted out of poverty. Sure, the government will give them a few more coppers, and they will be glad to get those few more coppers.

An hon. Member: It's a little bit of silver.

Mrs. MacInnis: You can buy a shin plaster, if you like, with the increase of 42 cents. You could break it down into a quarter, a dime, a nickel and a couple of coppers, if you prefer it that way. That is what our elderly will be getting. I think that this policy is all wrong.

• (3:30 p.m.)

Unfortunately, we have to deal with policies presented by the government. This is not a good policy for the elderly people of this country. This policy of handouts and hope is far too reminiscent of the old policy of hampers at Christmas and charity for the less fortunate. These "less fortunate" people are those who built the foundations for today's technology. They pioneered this country. As a result, we have automobiles, television sets and all the other advantages of this modern age. They have lived insecure and hard lives. What they are being given today is not enough to live on but too much to die on. If they were not such a hardy breed, they would not survive. This does not say much for us who do this to them.

If the minister would raise his sights he could do more, even under the whip of some sections of public opinion, such as those who are too well off, or under the whip of some sections of the cabinet. A whole new approach of recognition and gratitude is needed for those who built this country. These people need social justice, not handouts. There should be a package policy which, in addition to a money income should include housing for the elderly. I know that homes are being built for the elderly,

but it is only a fraction of what is needed. The only time an elderly person can move into a modern home in my city of Vancouver is when another elderly person dies. That is not good enough, in addition to a housing policy, there should be a policy with respect to hospitals for the chronically ill. Yesterday the hon. member for Simcoe North (Mr. Rynard) urged the minister to include hospitals for the chronically ill in the legislation dealing with medicare. Such hospitals could look after many of our elderly people. I understand that the minister's colleague in charge of housing has made funds available for one home for elderly people which will include nursing care. I congratulate him for this breakthrough. But this is only a small oasis in a vast desert of need.

The minister should recognize the need for paramedical services being included in medicare. Many elderly people require medical attention for their feet and eyes as well as chiropractors or osteopaths. The elderly desperately need paramedical services, but the minister is hiding behind powerful interests who do not want these services provided. I suspect that powerful medical interests want a monopoly with respect to people requiring paramedical services. I suspect it is this group which makes the decisions. I ask the minister to consult with the provinces in connection with legislation passed in this House in 1966 which gives the minister the power to make an agreement with one or more provinces with regard to paramedical services. This agreement can be made under existing legislation. Why is the minister not doing this? I know one province that I feel sure would be in agreement. They would provide the necessary agreement within a short time.

Our elderly people require community activities such as the Jewish people provide in their Golden Age Club very close to their community centre in Vancouver. This centre provides activity and friendship for the elderly people in that area. I know similar centres exist in other parts of Canada. The minister should provide leadership for such programs.

It is time that the accent was put on maturity in this country. Elderly people cannot be discarded like old boots or swept under the rug. These people deserve our recognition and gratitude. They should be provided with a quality of living that is worthy of them and which reflects favourably on the community. These people are experienced. If we encourage them, we will be repaid many times over.

I appeal to the minister to consider carefully the proposal made by my colleague, the hon. member for Winnipeg North Centre, to provide a universal old age pension of $150 a month. Of course this cannot be done by scraping the backs of some old age pensioners to finance others. We must have a fair taxation system. The government should implement some recommendations of the Carter report, such as spreading the burden of taxation fairly across this country and on the shoulders of the taxpayers. If the minister will not accept this proposal, he should accept the proposal providing $100 a month pension with a $50 supplement. We owe that to the elderly people of this country. I dread the thought of returning home at Christmas to find only a few crumbs thrown from the rich man's table to those people on old age pension. There should be a decent type of pension package for the elderly people of this country.

[*Translation*]

Mr. Gaston Isabelle (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I do not intend this afternoon to make a grandiloquent speech packed with statistics and which might be beyond some hon. members' understanding.

I just want to say that in my opinion the white paper is a masterpiece, all the more so as we have been expecting reforms in social security in Canada for several years.

We need only recall that in November 1962 the hon. member for Winnipeg North Centre (Mr. Knowles) asked for a reform of social security in Canada. He also asked that old age pensions be increased.

The white paper is a working document and it will be discussed at length at future federal-provincial conferences. It is a reflection of the comprehensive philosophy that is the trade-mark of a forward-looking government which has since 1919 always been ahead of all others in the field of social security.

A short while ago, I heard the hon. member for Vancouver Kingsway (Mrs. MacInnis) state that the Minister of National Health and Welfare was suffering from headaches. Those have been caused by the incredible amount of work he has been doing and, for the most part, they are due to the numerous congratulations that have been extended to him.

I spoke with older people last night and this morning, and they are all very happy with this new measure. Not one member, I think, received any phone calls from these people expressing discontent.

I could give you a great deal of statistics, but I shall simply say to support my point that 52 per cent of older people receive a supplement ranging between $1 and $31.83. But of these, 475,000, or 28 per cent, receive the full amount of $31.83.

The underlying principle is fantastic. It is a fairer distribution of wealth. That is why the 2 per cent supplement for the high cost of living was suppressed.

I heard the hon. member for Kamouraska (Mr. Dionne) recently say that we will never in this way solve the problem of increasing poverty among the masses. This is true. Surely, when we draft laws, certain boundaries are not easy to determine. Still one must agree that the measure now under consideration will certainly help a great number of people, including those who have served Canada well, as has been so often repeated in this House. I feel that the elderly are satisfied with their lot and that they will send us letters of congratulations. Indeed this bill is not perfect, but it is at least an answer to a certain wish of the people.

• (3:40 p.m.)

And to come back to the principle of universality, the hon. members for Winnipeg-North-Centre and Vancouver-Kingsway would grant $150 to every aged person, but as in democracy a choice must be made, we have opted for selectively because it is fairer. Pension universality would lead to socialism and entail enormous expenditures.

Those who are not in office may say what they want, and it is a pity because in the process they often show irresponsability.

As for the Leader of the Opposition (Mr. Stanfield) he said the program was too modest and not generous enough. He spoke as if he had felt the obligation to say something in the House so that later on he will be able to say that when the bill was introduced, he expressed some criticisms. But I am sure that deep in his heart—and he is a great-hearted man—he supports the measure. He cannot say so openly, because he is the Leader of the official Opposition.

As for our friends of the New Democratic Party who surely show some socialistic tendencies, they cannot understand our attitude and we cannot agree on the administration of the legislation, baceuse their principles are opposite to ours. Indeed, legislating in such a field is not as easy at it is believed. We must not forget also that the funds which we can take out of the taxpayers' pocket are limited. Between two evils, one must choose the lesser. This is why the principle of selectivity rather universality has been chosen.

When we see sick persons, as I do every day, we note that they want to show their gratefulness to governments which thought about them. That is why I am convinced the people of Canada will approve this bill, as well of course as the principles of the white paper, and especially the provisions with regard to family allowances and old age pensions; and also the study that will be made of this document which, to my mind, is a masterpiece.

We are told that we should mind our own business, in the federal government, and leave such programs as that on old age security to the provinces. Yet, it will be remembered that, in 1951, the Canadian government, implementing the recommendations of the joint committee of the Senate and the House of Commons on old age pensions, proposed to the provinces a constitutional amendment expressly granting Parliament the power to set up a national old age security pension plan to be administered by the government of Canada. The provinces agreed to it and, in 1951, the Constitution was amended accordingly.

Mr. Speaker, I believe what we are doing will be welcomed by the elderly people of Canada, even those who are sitting at home looking at television with nothing else to do but think, eat, rake over their past and look a little toward the future. When we give them more money, they are very happy, not caring about the constitution and the legal problems which might come up when such a bill is introduced. They are concerned with concrete things. When you give a child candy, it appreciates the candy, not because it is made in China, in Russia, in Montreal or in England, but because it is good.

[Mr. Isabelle.]

From the practical point of view, discussions should be limited as much as possible to approve such a clever and rational legislation the aim of which is to allow older citizens to become first class citizens who will be able to afford some luxury.

Last Tuesday, that is on December 1st, a woman who had just received her pension cheque, told me that even with the supplement, she had only $13 left at the end of the month. Thanks to the new legislation, she will obtain a great deal more. She will appreciate all the more those who had a thought for her and the other old people who are facing daily problems. As much as possible, we should speed up the process in order to consider other more important matters. Regardless of the amendments made or what is said about this legislation, basically the bill is very good. Once again, the government has demonstrated, without any doubt, that it is forward-looking as far as social security is concerned, as it has always been since 1919.

No other government has done as much in the field of social security as this one. No other government that could succeed it will ever be able to do better. Besides, if it had not been for the federal government, I am wondering where social security would be today? The federal government is often criticized in various quarters, but yet, it is the federal government that has given the breath of life to all Canadians.

It is for that reason that we carrying on our work, regardless of any criticism. Whatever we do, I am sure that we are on the right road. It took many months to prepare this legislation. By adopting it, we shall be of great service to those who look to us, not for discussions, but for bread and butter and a small measure of comfort, in order to spend their last years in comparative well-being.

• (3:50 p.m.)

[*English*]

Mr. Trudeau: Mr. Speaker, could I have permission of the House to revert to motions to report on the matter I discussed earlier?

Mr. Deputy Speaker: Has the Prime Minister permission to revert to motions?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

NATIONAL SECURITY

STATEMENT ON NEGOTIATIONS FOR RELEASE OF JAMES CROSS BY KIDNAPPERS

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did undertake to report later to the House as soon as I had some further and confirmed information. I am very happy to announce that I did speak to Mr. Cross in the last little while.

Some hon. Members: Hear, hear.

Mr. Trudeau: Mr. Cross is presently on Terre des Hommes, technically in the hands of the Cuban government. Negotiations are being pursued and are being completed for his final liberation. Negotiations are along the line of our undertaking to offer safe conduct to those who were his alleged kidnappers, and these negotiations are proceeding.

I must say that my first reaction is one of joy and relief at these events, and I am sure that all hon. members of this House and the Canadian public share this reaction. In the name of all Canadians I want to congratulate Mr. Cross for his fortitude and his family for their great patience.

I would also add that we are very thankful for the co-operation that existed at all levels between the government of Quebec and our government with regard to this matter. I want to commend the police for their coolness, especially in the final stages of this nightmare. I also thank the Canadian public for their patience throughout.

I believe there is nothing I can usefully add at this stage. I have, as I say, talked to Mr. Cross, and also to the British High Commissioner. I am trying to establish contact with Prime Minister Heath of Great Britain. I repeat that at this stage negotiations are well along toward a useful and final solution to this ghastly nightmare.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, we are all very pleased to hear the Prime Minister (Mr. Trudeau) confirm the story which has been circulating among the press for some time. We are very pleased that the Prime Minister is now in a position to confirm that Mr. Cross is, shall we say, in safe hands. We hope that he is as well as one can expect, or even better than one could reasonably expect, after having been a captive for so many weeks.

I knew Mr. Cross and his wife in Halifax. I knew him as a very fine person indeed, and his wife too. They both have shown very special qualities during these weeks. We have all been feeling very much for them. I sincerely hope that their sufferings are over and that they may be able to join each other very soon.

I do not know whether this would be a proper question, but the Prime Minister indicated negotiations were going on with a view presumably to granting safe conduct for the kidnappers of Mr. Cross. Do these negotiations in any way involve also the kidnappers of Mr. Laporte?

Mr. Trudeau: Mr. Speaker, I would be happy to tell the House what I know about that. My understanding is that three men, or three people rather, were in the House where Mr. Cross was being held. Our arrangement was to assure safe conduct for the people who were holding Mr. Cross in return for the delivery of Mr. Cross alive and well, which is the case; also for immediate members of the families of the alleged kidnappers. I understand the negotiations involve, apart from the three found with Mr. Cross, four other people, two being the wife and child of one of the people found on the premises, the two others also having immediate links with those who were on the premises.

I cannot at this stage give any further details of the exact number and quality of the people involved as the negotiations are being pursued. I repeat that my information is that a maximum of seven people are involved.

Mr. Stanfield: Might I ask one further question for the greatest possible clarification. Do the negotiations include the alleged murderers of Pierre Laporte?

Mr. Trudeau: No, Mr. Speaker. Our position on this had been quite firm, that safe conduct would be offered those who were responsible for the kidnapping of Mr. Cross and his being held to ransom, but not for those involved in the death of the late Pierre Laporte. It is our firm information that these negotiations do not cover any of the known or suspected people involved in the death of Mr. Laporte.

Mr. David Lewis (York South): Mr. Speaker, I will take but half a minute to say that no matter what differences there may have been with regard to various questions previously, I want to congratulate the Prime Minister of Canada (Mr. Trudeau), the Prime Minister of Quebec and all others who have been involved in this nightmare, as the Prime Minister properly described it, and to express on behalf of my colleagues and myself our relief and joy that Mr. Cross is free.

May I also express to Mr. Cross our admiration for his behaviour, and to his wife and family our hopes that on their reunion they will never again have to undergo what they have undergone until now. It seems to me that this is a moment for universal joy in this country at the end of this nightmare; and I merely want to add my words to those that have been expressed by the Prime Minister and by the Leader of the Opposition (Mr. Stanfield).

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I was very happy to learn a moment ago the goods news announced by the right hon. Prime Minister (Mr. Trudeau) to the effect that Mr. Cross is now at Man and His World, that he had spoken to him and that Mr. Cross was now in the hands of the Cuban government.

The Prime Minister said that negotiations were under way, that they were progressing and that this news is bound to reassure a great number of Canadians.

I am happy mostly because Mr. Cross' life has been spared. It is comforting that it is still possible to negotiate between people in order to save a human life. It helps us to understand better the value of life and I am convinced that all Canadians now watching television or listening to the radio are very happy to hear the good news that Mr. Cross is still alive and that his release is imminent.

As Mrs. Cross and her children, all Canadians are pleased to hear that at last Mr. Cross has been found. Indeed Mrs. Cross and her children, who were so long in anxiety, must be very happy to hear what the right hon. Prime Minister has just said.

Old Age Security Act

GOVERNMENT ORDERS

• (4:00 p.m.)

[*English*]

OLD AGE SECURITY ACT

AMENDMENTS RESPECTING AMOUNT OF PENSION, MAXIMUM SUPPLEMENT AND ESCALATION THEREOF

The House resumed consideration of the motion of Mr. Munro, that Bill C-202, to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Services.

Mr. John Gilbert (Broadview): Mr. Speaker, I rise on a point of order. Just prior to the statement of the Prime Minister (Mr. Trudeau), the Parliamentary Secretary had spoken in the debate. I attempted to get Your Honour's attention in order to ask a question. I wonder if I might ask the Parliamentary Secretary a question now?

Mr. Deputy Speaker: The hon. member for Broadview has a question for the Parliamentary Secretary.

Mr. Gilbert: The Parliamentary Secretary said he had received many messages congratulating him and the government in respect of the increase in pensions. I wonder whether he is aware of the fact that as of January 1, 1971, some 510,000 people will be receiving pensions of $80 if this bill passes prior to our Christmas recess, but that if it does not pass before then the same people will be receiving $81.17? Is he aware that there will be a shortage of $1.17, and is it his intention to so advise those people who have commended the government on this legislation?

Mr. Isabelle: Mr. Speaker, I have already mentioned the point referred to by the hon. member. I did so in my speech. As I said, this same principle applies for those people who were going to receive only $1.21 or something of that nature. I am sure that those people who are now receiving only $1 as a supplement will be satisfied to share this with those who have not got enough. In addition to the messages, I have received telephone calls and if the hon. member would like to know the number he might call my office and I will give him the information.

Mr. J. W. Monteith (Perth-Wilmot): Mr. Speaker, this afternoon we heard two speeches on Bill C-202, the first by the hon. member for Vancouver-Kingsway (Mrs. MacInnis). It was an eloquent plea on behalf of our elderly citizens. She pointed out many avenues along which elderly people could be assisted. I should like to commend her for this.

Let me refer to the speech by the Parliamentary Secretary to the Minister of National Health and Welfare. I am afraid it reminded me of speeches made in this House by the gentleman who preceded me as the Minister of National Health and Welfare. When he sat on this side of the House as the hon. member for Essex East, he made simply ridiculous claims in respect of the efforts of the Liberal government in the field of social welfare. I am now wondering whether this parliamentary secretary may also be looking for a call to the other place. Certainly, he has endeared himself to the government by his laudatory remarks, ill-founded though they may be.

Mr. Baldwin: You mean to Hull?

Mr. Monteith: Bill C-202 is to be referred to the Standing Committee on Health, Welfare and Social Services and certainly I am not going to speak at any length as I wish to see its reference facilitated.

Yesterday my leader and the hon. member for Simcoe North (Mr. Rynard) both voiced some doubts and some concerns about this legislation. I intend to voice some doubts and concerns. Before emphasizing one or two of my personal concerns in this respect, let me recall a statement made yesterday by the hon. member for York East (Mr. Otto) whom I see standing behind the curtain listening very intently. He said that in his opinion there had been some hair-splitting by the hon. member for Winnipeg North Centre (Mr. Knowles) and the Leader of the Opposition (Mr. Stanfield). He went on to say that some of the statements made by members on this side of the House did not make sense and he accused people over here of a certain amount of irresponsibility. I should like to read one sentence of the hon. member's speech made yesterday:

> If I were a member of a party that had very little or no chance of ever forming the government, of ever being responsible, I would offer them $1,000 a month.

I think that statement is the height of irresponsibility. It is an indication of how much can be said for the hon. member's arguments concerning universality versus selectivity. This is something I should like to discuss for a moment.

We should consider the different approaches in respect of universality versus selectivity. Perhaps I am thinking out loud at the moment, but back in 1950-51 there was a joint committee of this House and the other place which met for a considerable period of time. The four parties in the House at that time were represented on that committee as well as two parties from the other place. This joint committee brought in a unanimous recommendation as to how we should assist our elderly citizens. Perhaps that was the first time in the history of this country that such a unanimous recommendation was brought forward by such a committee.

That recommendation was to the effect that everybody should receive $40 per month upon attaining age 70 as a right, without any means or needs test. There were certain residence rules, that is agreed. But I repeat that that recommendation was unanimous and I think it was sound. Since then, there have been some upward revisions in the amount paid and there have been some changes in residence rules, some lowering of the age when the payment commenced. As the minister of that department for a period of time, I had the responsibility and the pleasure of sponsoring some of the amendments for consideration in the House. Incidentally, the Parliamentary Secretary mentioned what a God given gift to Canada the Liberal party has been in the field of social welfare. I suggest that our government of that day had

an enviable record in the field of social welfare. I suggest also that the claims of the Parliamentary Secretary can simply be labelled outrageous.

• (4:10 p.m.)

That universality of approach which was recommended back in 1950-51—I think the act came into force on January 1, 1951—continued until very recent times. I think it was a sound approach. Everybody was free to apply for and receive old age security without any stigma attached to it and without any suggestion that it was not their right to receive these funds. Incidentally, I have known individuals in the early days of the Old Age Security Act who would not apply for the pension, even though they were entitled to it. They were too proud to do so. I think, however, that as time went on and people realized they were being taxed through the corporation tax, the sales tax and the personal income tax to pay for old age security, everybody pretty well agreed that this was a sound approach. The receipt of old age security was theirs as of right. A fund was established which, at the end of the last fiscal year, was in the neighbourhood of $725 million.

The guaranteed income supplement came into being in 1966. At that time I recall moving an amendment in this House that all old age security recipients receive $100 a month. I still think that that would have been the right step to take at that time. However, the guaranteed income supplement was chosen, and it does seem to me that Canadians as a whole have now pretty well accepted the principle that those who show need for it should be able to receive monthly payments over and above the basic old age security payment. We all remember the 2 per cent cost of living annual increase in basic pensions, as well as the guaranteed income supplement. But even that was completely inadequate. It was a maximum figure. Since that time the cost of living has increased immeasurably more than that. Most years the increase was double that amount.

Primarily I want to say a few words about the basic pension which is now to be fixed at $80 a month and frozen at that figure. The minister intimated that in 1967 position with regard to comparable return would be restored. This is absolutely incorrect. The minister also, as the hon. member for Vancouver-Kingsway (Mrs. MacInnis) pointed out, seemed to want to leave the impression that there will not be any further increases in the cost of living. I say again, that is utter nonsense. The basic figure—if there is going to be a basic figure, and I am not arguing with that—should be at least $85 and more to restore recipients to a comparable position to that of 1967. Instead of that, the minister is making the figure $80. It is 42 cents more than the recipient is receiving as the basic pension this year. But if the pension had kept step with the increase cost of living, it would have been a great deal higher.

Yesterday the minister referred to an abnormal increase in the cost of living over the past few years. It is not abnormal to recipients of old age security. I suggest it is disastrous. Now, that basic figure is to be frozen at $80 a month. I think this is wrong. To be comparable with 1967, it should be considerably higher. There is to be no further escalation on this basic rate due to the increases in the cost of living. The basic pension is going to be frozen forever or, as was indicated earlier, unless there is a change of heart in the government. I suggest there should be a change of government because certainly this is not an adequate figure. Recipients have been taxed to build up this fund. It is their fund, it is their money, and the money is available. There was $725 million odd in the fund at the end of the last fiscal year. If recipients have other income, they will be taxed in the future.

I am concerned about the departure from the principle of universality. I have always felt that the wealthy who receive old age security pensions pay a huge percentage of them back in income tax, but they have paid into the fund originally. The hon. member for Winnipeg North Centre (Mr. Knowles) yesterday outlined the position in which various groups of retired Canadians will find themselves. This was a very interesting and accurate analysis. At the moment, I am concerned with the group of people about whom mention was made by the hon. member for Vancouver-Kingsway, those 510,000 Canadians who have some other income and who, as a consequence, will not be receiving the guaranteed income supplement because they will not qualify for it. However, their total income will be very small.

• (4:20 p.m.)

They are going to be limited to the $80 per month. They are not going to be allowed any escalation of that $80 to off-set increases in the cost of living. Mr. Speaker, I think this is wrong. It is wrong to penalize our elder citizens who, over the years, tried to save a little for their retirement, as well as pay taxes, and who are now singled out as not being eligible to receive a cost of living increase.

The government has not fulfilled its promise of a just society. While I agree with some of the provisions in Bill C-202, I point out that it should have been introduced two years ago. As has been so eloquently mentioned today by the hon. member for Vancouver-Kingsway, our elder citizens have been suffering untold hardships. They have not been receiving proper attention from governing bodies throughout the country.

Despite huge increases in the cost of living, some 500,000 of our elder citizens will still be penalized. As I mentioned earlier, Mr. Speaker, I am in favour of some of the provisions in the bill. Despite my reservations, I urge its rapid consideration on second reading so that it may go to committee and be returned to the House, even though 500,000 people whose pensions are to be frozen at $80 per month would be receiving $81.17 if the legislation were not passed by the first of the new year. Despite this fact, I believe the bill should receive rapid passage simply because of the guaranteed income supplement which is so necessary, and which will mean so much to so many of our elder citizens who are in dire circumstances.

Old Age Security Act

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, it is a pleasure for me to express my opinion about the treatment of our older people in Canada.

We are trying at the present time to improve the Old Age Security Act, but this bill will give older people less security than before. We disagree will the white paper's recommendations and we certainly do not agree with those who say that older people are given a fair treatment, that they receive more than anywhere else, that they can do nothing else but congratulate the government and all the administrators in this country.

I say it is far from being the case, contrary to the claims of certain members or observers.

Every day, like other members, I meet a number of old age pensioners from all over Canada and they ask me whether it would be possible, through discussion with the responsible people, to obtain pension increases, for they cannot make both ends meet. As a matter of fact, 90 per cent of the older people complain that they are in need due to an overly rapid increase in the cost of living. Yet, the hon. member for Hull (Mr. Isabelle) said a while ago that older people were satisfied with their lot and were thanking the present government for being so generous to them.

The government is far from generous. Indeed, it is the older people themselves who built this country, who left us the heritage of progress. In return, they certainly deserve some consideration from the administration.

Mr. Speaker, if we compare what older people receive in Canada with the income other Canadian pensioners get from the government, such as veterans, who receive pensions reasonable enough to allow them to face the cost of living, we find that the old age security pension is far from being equal to that of veterans, for instance.

The pensions paid to widows or orphans and other dependents of ordinary citizens and to older people should be as high as those granted to orphans and widows and other dependents of veterans.

Those who worked to build the country should get the same consideration as those who died on the battlefields to save it.

The pension of veterans' widows is being increased by $240 to $2,640 per annum or $220 per month. But why should not all other citizens be given the same treatment?

• (4:30 p.m.)

Mr. Speaker, whether a citizen dies at work, on the battlefield or in any other field of social activity, his widow, his children or his dependents remain Canadian citizens, and their social, economic or political needs are still the same. So why not grant the same pensions to the dependents of a deceased ordinary Canadian citizen as those granted to the dependents of a soldier who died in the war or after?

Is the citizen responsible for building houses, manufacturing furniture or tilling the land not as deserving as a policeman, a seaman, an airman, or a soldier who looks after the security of the Canadian people? Then why not treat in the same manner all the Canadians who look to the government for the bare minimum?

Why does the old age security pension of a veteran amount to $2,640 a year, or $220 a month, while that of an old worker is only $110 a month? I want to know the reason and I want us to discuss it. It is essential to reach logical and specific conclusions and to remove once and for all these differences in income which go against the government's commitments towards our citizens who are entitled to live out of our national production for 1970 and 1971.

Each year our production should help our people to live before being used as a reserve.

That is why this bill which provides $80 per month for older people is illogical. As for us, we see the situation as follows: since the government claims to have found some solutions to check the rising cost of living, it should actually stop increasing. But did the government actually find a truly effective formula to prevent the cost of living from increasing? If they have found one, they should freeze the old age pensions at $80 per month without paying attention any longer to the rising cost of living. But I presume the government is far from having found this magic formula and it is therefore illogical to set the old age pension increase at $80 per month.

The hon. member for Hull stated a moment ago that pensioners will get more generous pensions, that this bill will be beneficial and welcome because inadequate pensions by $30, $32, $33 or $35 a month are being raised. I do not know exactly the amount of this increase, but if the pensions were increased by $20 a month, it would still not be enough since the cost of living has increased four fold in the last few years and keeps on increasing.

Those who now receive benefits are subject to a needs test. All those who get a supplement claim it is not enough. They come and ask us to urge on their behalf the Department of National Health and Welfare to make up the difference. Needs are great because the cost of living is too high. If it keeps on increasing pensions would have to be raised, as the hon. member for Winnipeg North Centre (Mr. Knowles) said, to $150 a month for all older people and this, without a needs test.

In this manner, the government would save on administration costs and we would no longer have old people ask for a supplement, claiming that they are as poor as their neighbours, their fellow-citizens, who also receive a pension. Why punish those who told the truth? Those people have no right to receive a supplement and every day, there is some argument as to whether such and such a pension is entitled to the supplement.

If we want to be logical, we should put an end to such discrimination against older people. If we are fighting to achieve justice then we should hand out every month, without a means test, a sum of $150 to each and every older citizen and, through income taxation, we could take away from the rich whatever surplus they have and distribute it to those who are not so well-to-do.

The government should improve on this legislation. In due course, we intend to introduce an amendment to this act, as suggested by the hon. member for Winnipeg North Centre, aimed at increasing the pension to $150 per month, which definitely would not be too much in a country as rich as ours.

This year, our surplus amounts to $34 million. We pay western farmers not to grow grain. We penalize eastern farmers to prevent them from producing milk and other foodstuffs. In spite of it all, we tolerate that citizens should go hungry because they do not have the necessary slip of paper to buy all what they need.

We can treat our senior citizens equitably: it only calls for a spirit of social solidarity. Through taxation, we could set up a fund to assist our older people.

We could go further and say that it is as illogical to take money from such places, when other solutions would be possible. Nobody ever thought about that.

Never have we looked into excess profits; never have we looked into the resources of big financial institutions, of large companies, and of hidden reserves which amount to billions of dollars. We could take a few hundred million from these sources to ensure decent security for the aged.

We shall never put enough money in circulation to make our economy viable. Whenever we place money into the hands of people, we do boost the economy; we are exerting pressure on the economy so as to make it increasingly effective. The economy needs transfusions because it is depressed and in the need of injections, a way of placing pressure on the economy to make it operative.

Mr. Speaker, though not a socialist, I strongly support the measures put forward by NDP members. We could however raise pensions without falling into socialism.

The existing capitalist structure revolves around profits and expenses.

Sufficient returns are needed so that, once expenditures are deducted, we are left with profits. This is the formula that we must apply. Then, we will be able to pay everyone what he is entitled to. Aged people will then enjoy a reasonable standard of living in a country which is overflowing with resources. I hope that this formula will be understood by our administrators.

Once this put in practice, we will not have anymore problems, and it will be easy to increase pensions to $150 without any means test, because this is a terrible trial for aged people. Some spend sleepless nights, for months in certain cases, worrying about this means test that they must put up with. They are forced to accept those ill-famed and illogical inquiries which in most cases are half-done because investigators do not have all the required competency nor all the information they should have.

Mr. Speaker, it would be better to abolish those inquiries and to apply the income tax formula. If some people do receive too much, the excess will go in to taxes.

Old Age Security Act

• (4:40 p.m.)

[*English*]

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, the measure before us is very important and marks a significant point in the development of Canada's social welfare and social—

Mr. Gilbert: Insecurity.

Mr. Francis: —security policies. I wanted to comment today largely on the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles) whom I see in the House. As I listened to him yesterday, I recalled the various stages in the development of Canada's programs in this area and it seemed to me that one had to take stock, in a manner that the hon. member was not doing as he addressed this House.

The classic image of Canada's programs that has developed I think was very well exemplified by the hon. member. I think he took some justifiable pride in the development of the demogrant or universal benefit programs. He indicated that he was solidly committed to that principle and at this stage was not prepared to reconsider it, even in a faint way. Indeed his first choice, as he said to this House, would be to raise the old age security pension to $150 a month on the same basis as it is now paid. His second choice would have been to raise it to $100 a month, and pay the supplement of $50 a month on a guaranteed income basis. The party which he represents, Mr. Speaker, has an excessive concern, in my opinion, with the problems of distribution of wealth. This is highly commendable, but the problem of the government is to balance the policies for distributing wealth with those policies that go towards creating it. In other parts of the world we have seen the philosophy of the new left in our time expressed. Men like Servan-Schreiber have written very, very ably showing that in contemporary society we must carefully balance policies dealing with the distribution of wealth with policies that go to creating the incentive that will bring about the wealth that is to be distributed.

The basic issue placed before us in the white paper which we must face and which the hon. member did not face, is this. On page 3 the white paper indicates that there are now about four million low income people in this country despite an annual outlay of about $4.5 billion on income security programs. The demogrant approach involves immense sums of money. We are introducing at this stage the principle of selectivity.

In response to the question, is this the best allocation of our resources in the attack on poverty in our country, it is not enough to say that this is retrograde; that this measure violates the principle of paying everybody; and that it is not consistent with the kinds of programs that Canada pioneered. Let us look for a moment at the cost of giving everyone $150 a month. That is a fair question to ask. The minister in this House said that for every $10 a month paid additionally with the old age security pension, the cost increase would be $206 million. The total

aggregate figure for some 1,800,000 recipients at $120 a year comes to over $200 million. The cost of raising the amount from $80 a month, as proposed in this bill, to $150 a month for everybody would be $1,442 million, according to that estimate. That estimate is based on current case loads. There is no question at all but that there would be an increase in that sum. The cost of going to the $100 a month pension and giving the $50 a month supplement equals about $900 million.

We are not talking in terms of trifling sums of money, Mr. Speaker; nor can members in this House say that we can ignore the inflationary aspect and that somehow it is reactionary to think about price effects or the possible effects of incentives in industry, and that all you must do is increase your taxes by that amount to cope with the problem. Mr. Speaker, I am as concerned as any member of the House is about this matter and members on this side of the House are concerned, because we are thinking here of introducing the principle involving the limitation of the programs that have been available on a demogrant basis under which we have been giving assistance to everybody regardless of income, so long as the people involved have met certain very simple criteria of eligibility, age and residence.

We are simply saying, "How can our resources be placed most effectively in the hands of those who are in that group that the white paper refers to as the 4 million low income people?" I know that the hon. member in his presentation before the House argued that those who will not receive the supplement are not rich. He said that roughly 60 per cent would receive the supplement and 40 per cent would not receive it under the proposals. He then attempted to give a projection of the incomes of that other 40 per cent and indicated to us that in his opinion we were doing something which was very, very wrong.

The art of government is the art of the possible, Mr. Speaker. It always involves compromise. There is always the difficulty of placing the resources available in such a way as to achieve the purposes you have in mind. I submit that what the government has been doing with the demogrant approach will not cure poverty. It will lead to an excessive strain on the resources of this country if we attempt to cure poverty on this basis. Such action would be inconsistent with price stability and the creation of those incentives essential for the creation of additional wealth that is so necessary. Hon. members on the other side of the House say that we can do this, that we can afford to do it, and so on. They have not proven their case; they have simply assumed that case. There are difficulties in our trying to raise all benefits to a level that comes close to that generally recognized as the poverty level. There would be difficulties if we were also to try to achieve other objectives in our program.

• (4:50 p.m.)

One of the areas in which the hon. member quite properly concentrates his attention is the area in which people who receive the supplement could thereby become liable for income tax. This seems quite wrong. To the person who is in difficult circumstance and receiving a supplement, the payment of even a small amount of income tax is a burden. Our tax exemptions are certainly in need of reform. There is no question about it. On another front, the white paper on taxation did suggest an improvement in basic exemptions. We have not yet arrived at the stage when the basic tax exemption can be equal to a presumed level of poverty.

An hon. Member: Why not?

Mr. Francis: It is fine to ask "why not", but it is necessary to cost the implications. The contention of members of the New Democratic Party is that the democratic approach is the means by which they want to eliminate poverty with a minimum of supplementation related to income or resources. The members of that party have the obligation to show where the funds are to come from and how such funds can be consistent with price stability and incentives to industry, the main source of wealth. They do not look at that side of it. They just say that the pensions should be raised to $150 a month and that the $1,442 million will be found. It will not come like manna from heaven.

There is only one source for that kind of money, the taxpayers, or there will be the terrible burden of inflation. Hon. members opposite smile, but the burden is on them to demonstrate that alternatives can be found. There is no way in which a society can spend its way into wealth. There is no way in which it can print money so that everyone will be better off. It cannot impose crushing burdens of taxation and still have the kind of developing society that we take for granted at this time.

Mr. Knowles (Winnipeg North Centre): Will the hon. member permit a question? Is he aware of the fact that the arguments he has been making for the past ten or fifteen minutes are the same arguments we were given in the late 1940's and 1950's against having a demogrant approach as far as old age security is concerned?

Mr. Francis: At this stage the hon. member is trying to be on both sides. He says that in his opinion demogrants work and that poverty can be eliminated. In this area $4.5 billion are being spent and there are four million people in the low income level. The hon. member should look at the results of the approach he is advocating. He has to demonstrate something better. He should not approach the matter through the eyes of the Fabian socialists of three generations ago, but through the eyes of the younger generation, the new left, which not only looks at the means of distributing wealth but the very important incentives which create it. I suggest that the hon. member read what Jacques Servan-Schreiber and others speaking for the new generation have to say about the needs of contemporary society.

We have heard the same story from every member of the New Democratic Party. Their formula is immensely simple, raise the benefits and spend more. Mr. Speaker, that is not the answer. The members of that party, some of whom held responsible positions in industry and other

places, should ponder the fact that the program they are suggesting is purely and simply a program of guaranteed inflation. There are no other consequences that can flow from the measures that they suggest.

Having given that sharp difference of opinion, I wish to state that we recognize the contribution of members of that party, their concern with pensions and the principles of continuous improvement. We in this party are equally concerned. The party which I have the honour to represent has pioneered the basic measures of social security in Canada, including the Old Age Security Act. However, this does not cloud our minds from asking the question asked in the white paper, having spent this sum of money and having made this commitment, what are the measures we have to take now to ensure that those in the poverty level have a greater claim on the scarce resources in our country?

Mr. Peters: May I call it five o'clock, Mr. Speaker?

The Acting Speaker (Mr. Laniel): Order please, in doing so, I presume the hon. member will move the adjournment of the debate because of the special sitting tonight.

Mr. Arnold Peters (Timiskaming) moved:

That this debate be now adjourned.

Motion agreed to.

The Acting Speaker (Mr. Laniel): It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, Private Members' Notice of Motions.

PRIVATE MEMBERS' MOTIONS

SCIENCE

REQUEST FOR COPY OF STUDY RESPECTING USE OF ANIMALS FOR EXPERIMENTAL PURPOSES

Mrs. Grace MacInnis (Vancouver-Kingsway) moved:

That an order of the House do issue for a copy of the report of the findings of the survey team which, under the direction of Dr. H. C. Rowsell, inspected university research laboratories across the country earlier this year and made an assessment of the conditions surrounding the use of animals for experimental purposes.

She said: Mr. Speaker, for years a growing number of Canadians have been deeply concerned about conditions surrounding the experimentation on animals for medical and scientific purposes. Members of Parliament have been trying to get action on this matter. The hon. member for Vancouver East (Mr. Winch), myself and others have been trying to get the subject of animal welfare sent to a committee. I am still waiting for a reply

to a letter I wrote to the Prime Minister (Mr. Trudeau) on April 8. I received an acknowledgement from his secretary, but I am still waiting for an answer.

Other countries are far ahead of Canada in their legislation in this regard. Britain first acted on this matter in 1876 and there has been a recent survey. The United States has had legislation dealing with this matter since 1965 and Denmark since either 1953 or 1954. The legislation of those countries provides protection for the animals used for experiments. What about Canada?

For the last three sessions, 1968, 1969 and this session, the hon. member for Victoria (Mr. Groos) has had a bill on the order paper dealing with the desirability of legislation and regulations surrounding experiments on animals. His bills have always been too far down on the order paper to be reached. I had a bill last session and again this session which is supplementary to the hon. member's, with more detailed regulations.

What has the Canadian government done with respect to this matter? In 1969, animal care association panels appointed by the Canada Council on Animal Care visited over 200 animal facilities at 37 universities across Canada. Their survey was very thorough and their report on the conditions they found is frank. In some instances, genuine efforts have been made by universities to operate better facilities since the preliminary survey was carried out two or three years ago. In a good many other cases, however, conditions still left much to be desired.

• (5:00 p.m.)

This is from the famous Rowsell Report for which I have been asking for a couple of years. Mr. Speaker, people need this information if we are to keep up with the progress which has been made in this field by Great Britain and, more recently, by Denmark and the United States. The Littlewood report brought out in Britain in 1965 emphasized the desirability of keeping the public informed as to the facts of animal experimentation and the efficacy of controls designed to reduce suffering to a minimum. One of the means recommended to this end was the annual publication of informative returns by the Home Office. Yet, when I ask for the Rowsell Report, what answer do I get? On October 28, the Parliamentary Secretary requested me to withdraw my motion. I quote this sentence from what he said:

It is an understanding among the scientific community that details pertaining to scientific research projects are a matter of confidence between the researcher and the donor organization. For this reason the Department of National Health and Welfare does not make public the findings of researchers.

I believe this to be an indefensible position. After all, these reports are not the property of the federal government; they are the property of the people of this country who have provided, through taxation, the funds which enabled the research to be done. In my view it is wrong for the federal government to act as though these reports were its own property. Refusal to produce these documents is wrong not only on that ground; it is wrong, as the Littlewood Report points out, because the public ought not to be kept in the dark about these things.

Use of Animals for Research

A summary of the Rowsell Report was issued to the press at the time of its release and here are some excerpts from that document:

Post surgical animals are maintained for a long period of time under low farm practices which are inadequate for these animals. A number of dogs which were emaciated and required supportive therapy, were located on a private farm.

A large part of the animal care is the responsibility of a part time untrained student assistant. Provision and training of animal attendants is a haphazard process which is the responsibility of the individual investigators.

There was no evidence of a disease control program for any animals.

Standards of animal accommodation, and particularly of animal care, in this area are not acceptable.

The most serious inadequacies result from the lack of adequate direction, supervision and veterinary care.

Mice and rats were crowded in some cages, while empty cages were nearby. Dead and obviously ill animals were observed.

There is no post-operative care regimen for the animals.

These are excerpts describing conditions in Canadian universities surveyed by Dr. Rowsell. These universities receive support from the federal government out of funds raised by taxing the people of this country. I maintain the people have a right to know what the conditions are in these scientific laboratories. If the public were better acquainted with these conditions the result would be far greater organized pressure to get ahead with the legislation we need to control experimentation on live animals.

Why has this particular report not been made available? From talks I have had with Dr. Rowsell and others, I believe the secrecy stems largely from the fact that the government is afraid of upsetting some of the staff of universities where conditions were bad. The report says that a serious attempt has been made to improve conditions. But why should we surround bad conditions with secrecy? It is this very secrecy which has made it impossible, so far, to secure legislation to control experiments on animals in this country. Canada, as I have pointed out, is a long way behind other nations in this respect. There is nothing frivolous about wanting to see these reports. Their contents are the very stuff out of which progress can be made in setting higher standards.

The minister has told us it is the policy of the department not to make such reports available. I can tell him that there are researchers who do not agree with this point of view, researchers who want this information to be made available. One such researcher wrote to me and I propose to read into the record those parts of his letter which are relevant. He was commenting on the statement which the Parliamentary Secretary made in reply to my request and which I quoted earlier, the statement in which the Parliamentary Secretary said there was an understanding that these reports were a matter of confidence between the researcher and the donor oganizations. Well, in at least one researcher's opinion, this is "complete nonsense." The letter to which I have referred states:

I enclose an outline of one of our projects sponsored by Health and Welfare. One part of the government does not know what the other is doing in research. The Canada Council sponsored a study of the Youth Employment Service in Britain. This recommended that Manpower set up a similar service. The idea has already been discussed and rejected by Manpower.

There are many examples like this—no connections between research workers and between research and reality. Science involves openness—it means you must know what else is going on, and let other people know what you are doing.

I know that the people administering welfare grants for the Department of Health and Welfare want to tell the public who is going where, and doing what, in research relevant to social development.

Also, our research is funded by public funds—we must be accountable for this money, financially and morally, in the sense that we must tell people what we are doing. The government is using research as a synonym for slush funding all kinds of wild projects, or for public relations projects—

Anything I can do to help get research results out into the open, I shall do.

For obvious reasons I shall not release the name or the address of the writer of this letter; I certainly hope he is not identifiable from anything I have read. I can assure hon. members that I have his name and address. He is a person who believes, as I do, that the government has no business to sit on these public reports and act as though they were private property, particularly when the findings ought to be out in the open for the good of the whole community.

I am concerned about this whole question of animal welfare, because Canada is living in the backwoods as far as legislation intended to control experiments on animals is concerned. Any member of this House will appreciate the frustration experienced by our constituents when they keep writing to us, as Members of Parliament, urging us to do something about this question, apparently in vain. The present Prime Minister (Mr. Trudeau) is the second prime minister to whom I have been writing to urge that the whole subject of animal welfare be considered in committee and dealt with in open discussion. Then, when we have found out what is required, we can pass suitable legislation to bring Canada into the twentieth century. But there has been evasion all along the line. Everyone smiles tolerantly when the question is brought up in this House, as though it were in peculiar taste to mention the subject at all. And nothing is done.

The Rowsell Report is only one of the documents I have failed to obtain through a motion for the production of papers. I have a host of similar motions on the order paper, as do a number of my hon. friends. We are not putting down these motions just to be ornery or mean. We are putting them down because we believe, as a matter of principle, that there should be openness, not secrecy.

Many of us were pleased to find, earlier today, that we had won a victory in this House through the decision not to proceed with the bill which would have pilloried the Auditor General, the watchdog of the treasury, for his work. In the same way there should be openness in this House with regard to documents. I do not intend to quit this battle to get these particular documents until we win another victory. What is the government afraid of? It is not responsible for conditions in these particular labs, so why should it mind unveiling the true situation? If this government means what it says about participatory

democracy, then it should be glad that there are pockets of people in this country who very badly want to see legislation put on the statute books of Canada laying down rules controlling experiments conducted with live animals. I cannot for the life of me see what the government is trying to hide or cover up. As I say, we should have openness with full information to the public. We should also have the full co-operation of the public in securing this much needed legislation.

• (5:10 p.m.)

[*Translation*]

Mr. Gaston Isabelle (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, it would seem that the hon. member for Vancouver-Kingsway (Mrs. MacInnis) and the parliamentary secretary to the Minister of National Health and Welfare took up much of the time of the House today. We apologize for doing so, but I trust it is for the greater good of the nation.

Mr. Speaker, the motion for publication of the report of the findings of the survey team, which under the direction of Dr. H. C. Rowsell inspected university research laboratories across the country and made an assessment of the conditions surrounding the use of animals for experimental purposes was rejected. In fact, the Minister of National Health and Welfare, during the last session, asked the hon. member to withdraw her motion.

The Minister of National Health and Welfare cannot produce the briefs requested by the hon. member because Dr. Rowsell's inquiry was done on behalf of the Canadian Council on Animal Care, a body organized as a standing committee of the Association of Universities and Colleges of Canada. The Association is an entirely independent organization, not a Crown agency. Moreover, the report prepared by Dr. Rowsell is confidential and to divulge its contents would betray the Council's confidence and hinder its relations with research institutions.

I would also like to remind the House of the recent debate on the bill introduced by the hon. member for Vancouver East (Mr. Winch). The government does not avoid its obligations to ensure that laboratory animals are treated, kept and taken care of in a decent way.

I would like at this stage to point out to the House a recent measure passed by the Ontario Legislature and which deals with the care to be given to animals used for research purposes. This legislation eliminates the dealer in laboratory animals which has been mainly responsible for abuses in that field. I would like to add that with few exceptions, all Ontario humane societies have approved the safeguards prescribed by the Ontario legislation which will put an end to most of the inhuman treatments of animals in the past.

We can hope, Mr. Speaker, that this legislation will serve as example to the other provinces. In Ontario, breeders of laboratory animals and research establishments must obtain a licence and their premises will be inspected. If they do not comply with the regulation, their licence could be repealed. In addition, experimentation, breeding and distribution will be submitted to legislative control. Under the act, anesthetics are to be used in all experiments which may cause pain and analgesics have to be administered in the course of post-operational care. The act also requires the creation of committees responsible to see that all necessary care is given animals in research establishments, as was recommended by the Canadian Council on Animal Care. These committees are responsible for coordinating all activities connected with research animal establishments, including care standards, personnel training and steps to be taken to prevent pain. These research projects on animals will have to be supervised by this committee so that the latter can insure that the provisions of the law have been strictly complied with.

Let us now examine briefly the activities of the Canadian Council on Animal Care. At the national level, the Council functions as a sort of external consultant agency to insure that guidelines on care and use of animals in laboratories are uniformly applied. After its setting up in 1968 one of its first initiatives was to punish the handbook entitled *Care of Experimental Animals, A guide for Canada.* In order to prepare that handbook Dr. Rowsell, former executive director of the Council, made a first assessment of 39 universities, 24 federal government branches or research centres and 17 pharmaceutical laboratories.

The guide was used to evaluate the facilities and techniques employed in research and teaching establishments in Canada.

The care given to animals in those establishments was evaluated by professional groups with experience in the various fields of research, breeding of domestic animals and veterinary science concerned with laboratory animals, including members of the Technical Advisory Committee of the Canadian Federation of Humane Societies. Members of such groups provided their services voluntarily.

The Council also attempts to determine the need for professional and technical specialists in veterinary science concerned with laboratory animals, and intends to make recommendations in this regard, if necessary.

Mr. Speaker, the Canadian Council on Animal Care puts its services at the disposal of government organizations, institutions and persons directly interested in the care and use of laboratory animals. Requests for advice, on the rise because of our close relationship with other national and international associations dealing with animal sciences and animal care have constantly increased.

Progress made up to date by the Canadian Council on Animal Care, through a voluntary system of control, is satisfactory. Not only is such a system bringing in improvements in research and teaching but it also makes sure that public concern and interest for the welfare and ethical use of laboratory animals are dealt with in an efficient and responsible manner by the scientific community.

Use of Animals for Research

Mr. Speaker, the fact that people have been more concerned about the care of laboratory animals these last few years, is perfectly commendable. However, in order to understand correctly this greater concern, it is necessary to recognize the existence of several causes and objectives. Among these, it is to be noticed that researchers are concerned about animal care and ways to improve it because they realize that the use of animals in bad condition often alters the results of experiments. Researchers want also to establish a uniform type of animal for the whole range of biological and medical research. In every type of research, the common denominator is good health, in the general sense of the term, and therefore, it is clear that for research purposes, it is necessary to have animals in good shape.

The reports submitted by the assessment groups are considered by a resource group of the Council and discussed and accepted by the Council before being submitted to the designated administrative board of the establishment involved. These reports that the hon. member would like to be made public are confidential. Their findings have always been approved by the directors and the scholars concerned and have led in almost all establishments to the creation of local committees concerned with the experiments and animal care.

The basic principles of the use of animals by first year medical students have been reviewed to encourage the use of less sophisticated animals. The principles specify that no experiments shall be conducted on vertebrates if they injure the normal health of the animals or if they cause them any pains or troubles. These principles were approved by the Foundation of Young Scientists which sponsors scientific exhibitions. Moreover, this Foundation has accepted to ensure a higher degree of supervision on students who use animals for these scientific exhibitions. Projects using animals must be approved, and a responsible supervisor must be assigned to them.

• (5:20 p.m.)

The Council on Animal care is also concerned with increasing the availability and improving the quality of animals to cope with the needs of research and dissemination of information on animal sources in Canada. The needs of regional supply centres, the means to control and licence commercial suppliers, and the compilation and inventory of all types of animals raised in various establishments in Canada have been considered.

The question of the use of laboratory animals raises in the mind of scientific researchers the question of ethics, a question which has been often raised and has been studied for a long time. Ethical pressures on the individual scientist come from his colleagues, from local committees, from a provincial advisory committee or from a national council, to mention only a few of the groups which supply him with money for research and which publish papers.

Therefore, controls already exist to ensure humane treatment of laboratory animals, and they are applied according to the best democratic tradition of this country.

[Mr. Isabelle.]

Mr. Speaker, during the last half of this century, many research fields have been suggested, including chemotherapy, virology, endocrinology, radiobiology and medical genetics, while others that were only in their infancy at the beginning of this period, namely immunology, nutrition, biochemistry and applied pharmacology have evolved to such an extent that they are almost unrecognizable.

Before 1900, it was thought that the specific causes for illnesses were foreign to the human body. Today, illness is considered as a functional disorder to which many factors contribute, especially bacteria, viruses and other micro-organisms as well as the receptivity of the system, the nutritional state and professional risks.

Such a new concept of disease has greatly enlarged the scope of biological sciences and therefore greatly expanded the field of biological research and experimentation, the object of which is to prevent or relieve suffering in man and animals.

Perhaps the greatest achievement of the last 50 years in the field of medicine is the progress made in chemotherapy, the treatment of infections by means of drugs. In 1935, the discovery of sulpha drugs made possible for the first time the efficient treatment of bacterial infections. A few years later, a wide and growing field of research on antibiotics was open, due to the evidence of the therapeutic effectiveness of penicillin in bacterial infections. Since the discovery of penicillin, not so long ago, many new types of therapeutic and chemical products have been discovered and used, for instance, for the treatment of such illnesses as diabetes and high blood pressure.

In the field of immunology, science has reached a level of development far above that of the study of defence mechanisms. Today, we are trying to understand body reactions to the invasion of any kind of foreign proteins as well as the problems posed by allergic reactions which seem to be the result of an unfavourable reaction of the body towards its own organs and, more recently, the unfavourable reactions resulting from the grafting of complete organs such as the heart and liver.

In the field of surgery, many breakthroughs over the last few years are a direct result of experiments made on animals. Many of the main achievements in the field of chest, heart or brain surgery are the result of studies on the physiological effects of similar operations performed on animals. The successful use of artificial materials for reconditioning body structures are also based on preliminary experiments made on the performance of those materials in the body of an animal.

Mr. Speaker, we should remember the experiments of Professors Vineberg and Selye of Montreal, who have contributed much to science in Canada through experiments on animals.

These are but a few examples of the fields of medical science which have, as I just said, benefited by research on animals, demonstrating that each step forward in science has been accompanied by an increase in the scope of experiments and the number of specialists qualified to carry them out and therefore of the number of laborato-

ries equipped with the necessary research facilities. The need for animals to be used in scientific research is therefore a direct implication of research for scientific knowledge.

When research is geared toward potential applications to humans, the need to use a living animal is subject to fundamental principles of medical ethics. No doctor will proceed with a new method of treating a patient unless he is reasonably satisfied that this new process is or seems to be adequate for relieving his patient, nor unless he is perfectly aware of any potential side effects that he may have to assess professionally as against the benefits of the operation. The information which helps the doctor in making a decision is often enough based on the results of comprehensive studies of the effects of new techniques recommended for operating on animals.

Hence, our conclusion may be that the demand for laboratory animals will continue to increase in the near future and that the development of substitutes for tests on animals will not materially affect the demand for *in vivo* laboratory animals because *in vitro* tests do not allow the doctor to acquire the necessary guarantee before trying a new medicine or a new treatment on his patient. Indeed, the expansion of research will bring in more problems as regards proper supplies and care for animals. These are the reasons why the Canadian Council on Animal Care has been established.

People who are frequently required to look after and use animals for scientific research have the moral obligation and the responsibility of directing this research for the benefit of both people and animals. This responsibility consists, partly, in constantly seeking the discovery of proper solutions to the problems arising out of the anxiety or the hazards to which these animals are exposed.

In conclusion, Mr. Speaker, I would say that I am convinced that the work of the Canadian Council on Animal Care is the answer to both the ethics and the concerns of society, so that animals used in scientific research be treated humanely. Wherever possible, inferior forms of animal life and insensitive systems are used. However, wherever it is necessary to use superior animals to better the lot of mankind and the animal world, such research is conducted, I am satisfied, in a very humane manner.

Perhaps I should say, before concluding my remarks, that it is thanks to animals that medical science has reached its current level. If animals could understand, we would extend our gratitude to them. It is said that a dog is man's best friend. I am sure that all scientists have the greatest respect for animals, and to an increasing degree, they use humane methods in their experiments.

• (5:30 p.m.)

[*English*]

Mr. Maurice Foster (Algoma): Mr. Speaker, the notice of motion by the hon. member for Vancouver-Kingsway (Mrs. MacInnis) before the House this afternoon requests that an order of the House do issue for a copy of the report of the findings of the survey team which under the direction of Dr. H. C. Rowsell inspected university research laboratories across the country earlier this year and made an assessment of the conditions surrounding the use of animals for experimental purposes.

The Parliamentary Secretary has outlined many of the reasons why the government cannot produce a copy of this report. First and foremost among these is that this survey was carried out by an agency which is independent of the government. But I think there are many other reasons why it would not be in the best interests to release this report.

The Canadian Council on Animal Care was set up in 1968 because it was recognized that there was a need for better animal care in Canada. The first director of this agency was Dr. Harry Rowsell, a former professor of the Ontario Veterinary College who later became professor at the Western College of Veterinary Medicine in Saskatoon. Dr. Rowsell, whom I know very well, is the most competent person to be the first director and the first man in charge of the Canadian Council on Animal Care.

One of his first tasks was to produce a guide on the care of experimental animals, which I am sure people who are concerned about this matter in Canada have read and have found to be a most adequate, initial book on the subject. I am sure that as our experiments on animals become more complicated and sophisticated, this book will be amended and new aspects will be added to it. However, as an initial document for this kind of agency it was and is an excellent text.

The next task that the Canadian Council on Animal Care undertook was a survey of all the laboratories throughout the country, both the research laboratories and those that are operated by drug companies as well as laboratories which are located at universities. I think it should be understood that the survey of these facilities did not only have as its purpose an assessment of the treatment of animals at these laboratories; it also had an educational mission, because the guide had been produced only a year before and such a survey had not been carried out by this type of survey team composed of very capable people travelling across the country to assess these facilities. So I believe the role of this survey team had great educational value for the people operating these research laboratories. I understand that this was done on a voluntary basis but that nearly every laboratory in the country co-operated.

Certainly, as time goes on there will be more sophisticated assessments of research laboratories, and perhaps better regulations. But I think it would be very inappropriate for the first report of the survey team, which contained not only an assessment of animal care facilities and laboratory facilities but also provided an educational role for the people operating these facilities, to be released. I believe that after the survey team visited the various facilities throughout the country, the level of animal care and the kind of facilities provided improved greatly. Since it was voluntary and was done on a confidential basis, I think it would be quite inappropriate for this report to be released.

I expect that at a later stage we will want to establish a regulatory body, whether it be federal or provincial, which will assess these facilities, and if they are not up to a certain standard penalties will be imposed on the laboratories and research establishments concerned. However, I do not think that the overwhelming amount of publicity which would emanate from the publication of this report would necessarily have the best results.

The study of the basic processes of life are fundamental to medical research and to other health science disciplines. Frequently these studies require that research be carried out with animals, and also that living processes be studied as an adjunct to teaching. The benefit which society derives from the use of animals for research and teaching is incalculable. As an example I would cite the dramatic decline of poliomyelitis which has resulted from the development of a vaccine, prepared through the use of monkeys, against the virus of this disease. This is best illustrated by the statistics for Canada. In 1959 nearly 1,887 cases of poliomyelitis were recorded; however, in 1969, ten years later, the incidence of poliomyelitis in Canada was reduced to zero through development of the polio vaccine.

• (5:40 p.m.)

The use of living animals for teaching and research is a privilege which is accompanied by responsibility for ensuring that the highest standards of humane care and treatment are provided for animals in our teaching and research institutions. Rapidly expanding scientific research and increased student enrolment in recent years have resulted in increased need for animals. In Ontario alone, in 1967 approximately 636,000 animals ranging from mice to domestic farm animals were used for these purposes. This large use of animals for scientific research, which escalates at between 10 per cent and 20 per cent per year, has necessitated the establishment of more institutions and has sensibilized facilities for animal acquisition, for better accommodation, care and treatment of the animals, requiring the use of professional staff who are especially qualified in respect of animal care.

There are already many programs which provide training and experience in research animal husbandry, and there is a growing emphasis on research into animal diseases and the methods of care, housing and handling of laboratory animals. Research scientists recognize the responsibility for providing the highest standards of care in the accommodation of animals, if for no other reason than that animals used in research and teaching must be in all respects healthy and not subject to environmental or other stresses which could prejudice the results of their studies. To provide animals of the quality necessary for research and teaching, all latent and subclinical diseases must be detected and eliminated by the professional personnel who care for the animals. Facilities must also be constructed to provide research animals with a stable and comfortable environment.

In 1967, a symposium on the care of animals for teaching and research in the life sciences was held at Queen's University. This symposium, which was sponsored by the faculty of medicine at Queen's, introduced the concept of the Canadian Council on Animal Care, whose objectives are to provide guiding principles for the care of experimental animals in Canada and to work for their effective application. At this symposium Dr. G. Malcolm Brown, chairman of the Medical Research Council of Canada, delivered a paper on the National Research Council report on animal care and the role of the granting agency. In this paper Dr. Malcolm Brown stressed the importance which the Medical Research Council attaches to the care of experimental animals in Canada.

His concern was not only that experimental animals should be treated in a humane manner but, also, that for the purposes of research there is a common basis for good animal care which is not simply a matter of description and definition. Dr. Brown also noted that there was room for improvement in animal care and informed the symposium that scientists are continually seeking improvement in this area.

I shall review briefly the history of the Canadian Council on Animal Care: As early as November, 1963, the Medical Research Council requested the National Research Council to establish a committee to study the situation with regard to the humane use and care of experimental animals. The National Research Council acceded to the request and set up a committee composed of a distinguished jurist, representatives of the two councils, representatives of universities, medical and veterinary schools and a representative of the Canadian Federation of Biological Societies.

This committee's terms of reference included a request for recommendations for improvement in the procurement and production of experimental animals, facilities for their care and control over experiments. The work of this preliminary committee was carried out thoroughly under the able chairmanship of Dr. W. H. Cooke, director, division of biosciences, National Research Council, and was the subject of a special report published by the National Research Council in June, 1966. In large measure the recommendations contained in Dr. Cooke's report resulted in the establishment of the Canadian Council on Animal Care. This body, which acts in an advisory capacity, seeks to ensure the development and use of satisfactory practices. In addition, it is the vehicle for proving and exchanging information on animal care.

At the provincial level the committee recommended the establishment of an advisory board which would concern itself with all facets of the problem of animal care, including procurement, production and care of experimental animals. The committee recommended at the provincial level that the registration and licensing of dealers in laboratory animals be instituted where present arrangements were unsatisfactory. Mr. Speaker, this of course has been carried out in the province of Ontario under the legislation which was passed last year.

At the local level the committee recommended that institutions establish their own committees on animal care, with responsibility for ensuring that generally accepted principles were followed within their laborato-

ries. Perhaps the most significant finding of the committee was that in its opinion voluntary controls would be more effective than legislative controls in ensuring that improper experimentation did not occur. In arriving at this recommendation the committee examined legislation relating to animal care in various countries and decided that effective control rested in large measure on the judgment of the individual investigator and that of his colleagues, both immediate and remote. The committee concluded that this type of check is the major influence even when there is controlling legislation. Moreover, there are situations which no legislation can foresee or provide for, and an alert and informed attitude must remain the most effective check on the use of animals, as indeed it does in Canada today.

The concern of society for the care of experimental animals is just one part of the examination which society is making of its many activities. Democracy is a system of checks and balances, and it is right and proper that from time to time it should receive the attention of those outside medical and scientific research. The National Research Council and the Medical Research Council by their actions, which have led to the Canadian Council on Animal Care, have left the individual investigator vulnerable to a wide range of comments and pressures. These pressures come from his colleagues, local committees, provincial advisory boards and the national council, to say nothing of the groups which provide the money for his research and which publish his papers. This is a method of control in the best of democratic traditions.

It may be useful at this moment to review briefly some of the elements involved in the use of animals in research. When a new chemical is isolated or developed that promises to be of value to man, it is tested in animals before it is applied to the human body. In many instances the chemical structure of the new substance can be ralated to a particular pharmacological activity, and with this foreknowledge a definite screening plan can be initiated. However, in some instances where the pharmacological interest is in a group of chemically similar compounds about which there is little knowledge, the research approach may be a blind one in the first instance. For the safety of man, such preliminary research must begin with animals.

Generally, the initial screening of new chemicals is done with small animals such as rodents, because of their size, their availability and reproducibility; and because they are relatively inexpensive, these early tests are frequently conducted with rats, mice or guinea pigs. Moreover, their short life span affords an ideal opportunity to follow the effects of treatment in its entirety. For some aspects of research, certain animals are more suitable than others. For example, rats and mice will retain oral doses that many non-rodents reject. Hamsters are ideal for research on mucous membrane because the cheek-pouch of this animal provides an ideal area for testing the healing properties of solutions intended for use on such tissue in humans. Rabbits have relatively large body areas and rather sensitive skin, which makes them excellent subjects for testing how irritating chemicals may be. It is interesting to note, Mr. Speaker, that while the term guinea pig is properly associated with experimentation, these creatures are not widely used for experimental purposes.

• (5:50 p.m.)

When administering test material to animals, the investigator attempts to determine the lethality of the chemical, its effects, side effects and range of efficacy. Administration of the material may be oral, subcutaneous, cutaneous, intramuscular, intravenous or it may be administered in some other way. If the researcher knows the intended use of the substance in man, he will attempt to emulate administration of the substance. After initial tests with rodents or rabbits have supplied data on the nature and toxicity of the compound under investigation, if these have been fruitful, more elaborate studies can, if necessary, be devised.

It is at this stage that the larger animals are employed. These more advanced studies are usually conducted longitudinally over a period of time that may be from six months to two years or even longer. Small animals are rarely used for long-term studies because their smallness makes it difficult to follow weight gain or loss with any degree of accuracy. Another aspect in the selection of animals for research is age. In some experiments mature animals are needed, while in others the young are necessary in order to follow growth patterns as they develop.

As I have already mentioned, the smaller the animal generally the shorter the life span, so with the smaller animal researchers are able to go through the whole life span in a relatively short period. They can then judge the effects upon a human who has a much longer life span. Because of possible genetic effects to offspring from compounds ingested by parents, tests may be designed to cover several generations, in which case fertility and reproductive patterns will be examined.

In recent years some uncommon research animals have been introduced into the research laboratory because of special characteristics which make them especially suitable for certain types of studies. These include fish, reptiles, birds and farm animals. Animals having certain personality characteristics, such as aggressiveness, may be used in testing tranquillizing drugs and changes in the personality of the animal in response to these drugs would be studied. This may be very useful for drugs which could be used for Members of Parliament, because some of them are very aggressive. We could determine by the study of aggressive types of animals whether they would be especially useful in humans at a later stage.

As the previous speaker has already stated, and as I mentioned earlier in this speech—

Mr. Speaker: Order, please. I am sorry to interrupt the hon. member, but his time has expired.

THE ROYAL ASSENT

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

Mr. Speaker, the Right Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

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

• (6:00 p.m.)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act respecting the Federal Court of Canada.

An act to provide temporary emergency powers for the preservation of public order in Canada.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. E. J. Benson (Minister of Finance) moved:

That this House approve in general the budgetary policy of the government.

He said: Mr. Speaker, my purpose tonight in this budget address is to set down in a concise manner the economic strategy of the government for achieving our first economic objective—a steady and substantial improvement in the real income of Canadians everywhere. I propose to go about this task in the following way.

First, I will describe the economic and financial situation as it has developed to the moment. Second, I will discuss the measures we have taken since the last budget in March and the measures we now propose be taken to guide the economy onto a course of high and sustainable economic expansion and full employment. Finally, I will chart the route onto this course as we envisage it for the economy in the balance of this fiscal year and through the next.

A steady and sustainable improvement in the standard of living of all Canadians requires the fullest possible utilization of the nation's human and material resources. It also requires that all regions, sectors and groups of people share in economic expansion; that we progressively narrow regional economic differences; and that we obtain a progressively more equitable distribution of the goods and services we produce.

It is often stated that we must also reach for economic stability, a good price and cost performance, and a satisfactory balance of payments. I see these conditions as means to the end, not the end in themselves. We are concerned about the balance of payments, exchange rates and trade because we cannot hope to reach a steady improvement in the prosperity of our people without satisfactory performance in these areas. Similarly, we are concerned about reasonable economic stability because without it efforts to achieve our primary objective will be frustrated. In brief, our only ultimate concern is for the well-being of all our people. Our other concerns are significant only in so far as they contribute to or detract from this goal.

On October 13 I gave the House a rather detailed account of economic developments this year. I shall not repeat that account tonight. I do wish, however, to draw attention to a number of key features of the situation and to new information which has become available since I last reported.

Of prime importance is the fact that employment is rising in Canada and unemployment on a seasonally adjusted basis appears to be falling. This underlying improvement is suggested in the statistics for September and October after allowing for normal seasonal patterns. There may yet be month-to-month fluctuations from the trend.

The national accounts for the third quarter also reveal that real output in the economy is rising. The pause in the growth of production of goods and services which marked the second quarter did not continue, and this latest information confirms that the economy is now advancing again, although the advance would be stronger if major labour disputes were not in progress.

We are in fact having a considerable boom in housing in Canada, owing in substantial measure to the effectiveness of government policy. Housing starts reached the quite extraordinary level at the annual rate of 270,000 in October. We shall not have a record year for housing in 1970 because of the lower rates of starts in the first part of the year, but it will be a satisfactory year especially when viewed in conjunction with the unusually high level of starts of last year. It is worth noting that the growth in starts currently in progress is concentrated in low income housing in regions of the country where the need is great and where employment growth has been sluggish.

The latest figures on capital investment apart from housing are also stronger and the recent preliminary survey of capital investment intentions indicates growing strength in this area of activity next year, although this year activity in this sector has been one of the weaker elements in our economy.

The year 1970 will go into the records as our best year ever in international trade. The increase in our exports especially in the early part of the year was very vigorous, and perhaps more important the latest figures suggest that this new level of exports is being well sustained. Our merchandise trade surplus for the first ten months of the year was at an annual rate of $2\frac{3}{4}$ billion. The current account of our balance of payments, including trade in services as well as goods, will show a record surplus this year. This condition is reflected in the

strength of the Canadian dollar in exchange markets, which has persisted in spite of a very sharp reduction in recent months of new borrowings by Canadian provinces and corporations in the United States and overseas capital markets. Our foreign exchange reserves now stand at $4.6 billion.

Undoubtedly the strength of our trade balances reflect the success we have achieved to date, in comparison with other nations, at least, in putting the brakes on price increases. Other factors have played a part, but the fact remains that we have had a better price performance than every other industrial nation this past year. From the third quarter of 1969 to the third quarter of 1970 consumer prices in Canada rose by 3 per cent. According to the recent detailed report prepared by the OECD—that is the Organization for Economic Co-operation and Development—this was a lower figure than for any other of the 22 members of the OECD except Finland, where the figure was 2.8 per cent. For the United States this indicator of the increase in the cost of living was up 5.7 per cent. Wholesale prices in Canada have been falling since March of this year. Most industry selling prices as computed by the Bureau of Statistics have also been falling since the end of the first quarter. The price deflator of gross national expenditure has shown smaller quarter-to-quarter increases this year, on the average, than last year. Thus it can be asserted that our price performance in Canada has shown a clear and market improvement and compares extremely favourably with all the other countries in the trading group of the western world.

The new information confirms the healthy state of our international trading position, the strength of home building, and the decline in the rate of price inflation. It indicates that employment and real output are again rising and that the level of unemployment after seasonal adjustment appears to be falling. These are very welcome reports on the state of the economy.

• (8:10 p.m.)

There is no question, however, that the rate of growth of employment must improve and that unemployment must be reduced if the economy is best to serve our overriding objective of the highest sustainable improvement in the standard of living of all Canadians.

Both inflation of prices and high unemployment are our enemies in the quest of our main objective. We must fight and control both of these enemies and the government intends to maintain its fight on both fronts. If we have allayed the forces of inflation this year that does not mean we can now ignore this enemy. Cost increases remain high, and the capacity to absorb them in further reductions of unit profits is now very limited. It is all too easy to encourage inflationary potential and this we do not intend to do. But we must also maintain and indeed strengthen our resistance to the other enemy, unemployment. Much of the balance of my remarks tonight will be concerned with our program for intensifying our fight against unemployment, helping those who have suffered most from inflation and resisting the dangers of igniting a new round of inflation.

Mr. Speaker, the government has engaged in what has been virtually a continuous adaptation of our fiscal policy. Fiscal policy in our opinion should not be a matter of taking decisions at only one time of the year—budget time—and passively reviewing developments the rest of the year. We have repeatedly stressed that we keep the economy under continuous review and that we will not hesitate to bring forward further measures as we conclude they are warranted. We have introduced a series of measures since the last budget which I have already described in detail in this House. I should like to review them briefly before passing on to describe the next phase in the evolution of our policy.

The budget of last March itself was expansionary with its prospect of a reduced budgetary surplus and increased net non-budgetary expenditures. The projected increase in cash requirements was of the order of three-quarters of a billion dollars. Now, quite apart from the large amounts of cash required to buy foreign exchange, the increase has virtually doubled to $1½ billion. This doubling is the result of developments in the economy and the new measures we have adopted in the continuing adjustment of policy. The measures taken since the budget include:

—increased outlays to the provinces of some $350 million to cover accelerated transfers of tax revenues, accelerated payments of technical and vocational school grants and higher equalization payments;

—the summer employment program for students and expanded social assistance programs which added $73 million to expenditures;

—an additional $100 million in August to the 1970 capital budget of CMHC to finance the start of an additional 15,000 units of low cost housing this year in regions where the need was great and unemployment especially severe;

—a special program of $60 million of expenditures on capital and other projects in regions of slower economic growth and on manpower retraining.

In addition to the increasingly expansionary fiscal policy, monetary policy since late last winter has been set to give increasing encouragement to economic expansion. Interest rates have been falling this year. The bank rate itself has been reduced in four stages from 8 per cent to 6 per cent. There has been some decline in long-term rates, including mortgage rates. Short-term rates have fallen much more and are 3 to 3½ percentage points lower than at the beginning of the year. The three-month treasury bill yield on November 26, at 4.4 per cent, was 3.4 percentage points below its high of last January. The prime lending rate of the banks is now lower and their liquidity position presents no obstacle to the expansion of their loans. The volume of currency and deposits in the economy has increased this year at a considerably more rapid rate than the value of the gross national expenditure. Monetary policy is now clearly expansionary.

The effects of these expansionary fiscal and monetary measures are only beginning to be felt in the economy; they will be felt with increased force over the next

several months. None the less, the government now feels that it would be appropriate to add to them the stimulus of a variety of yet further measures.

Some of these measures are directed toward the immediate needs of the winter ahead. Others are intended to reinforce existing policies and ensure that the economic pick-up in sight for the year ahead will be both strong and sustained. They will also be directed in large part to those regions of the country where unemployment is highest, and to those groups in our society whose incomes are low. I should like now to outline briefly these new proposals, and to refer as well to the fiscal implications of certain other major policy developments which will also have a stimulating effect upon the national and regional economies in the year ahead.

The first of the new measures relates to unemployment insurance. As hon. members know, the objectives and proposals for fundamental reform of the unemployment insurance system were set out in the White Paper tabled last June by my colleague, the Minister of Labour. I am confident that we are well on the way to a vastly improved system of unemployment insurance, providing substantially better protection for all workers in Canada. Because of the time required for consideration and implementation of the new system, however, it is not expected that the higher levels of benefit can be introduced until about next July.

• (8:20 p.m.)

In the meantime, therefore, the government has decided that there should be an immediate increase of 10 per cent in the rates of benefit under the existing system.

This supplementary allowance would be provided to all workers receiving the insurance allowances during the period January to June next. It would be financed by a special government contribution to the insurance fund at a total cost of $54 million. I am sure this increase will be particularly helpful to unemployed workers and their families, especially during the usual seasonal winter peak in unemployment. It will, as well, give an immediate and direct stimulus to the economy, the benefits of which will spread quickly right across the country.

A second new measure proposed is to give still further aid to the provinces, and through them to municipalities if the provinces should so decide. This will take the form of assistance in the financing of additional job-creating public works. A fund to help stimulate the economy will be set up to operate during the remainder of this fiscal year and 1971-72. A total sum of $150 million will be provided by way of long-term loans at favourable interest rates.

The distribution of this fund to the provinces will be based upon a formula which takes account of their differing levels of unemployment experienced over the last six months of 1970. Because of their population size and current unemployment problems, the largest amounts will be made available to the provinces of Quebec and British Columbia. Based upon our estimates, however, all provinces will be able to make claims upon this fund as a source of finance for clearly identified capital projects initiated before the end of calendar 1971.

We will, of course, seek the co-operation of the provinces to ensure that projects are undertaken quickly. Wherever appropriate, these projects will be co-ordinated with the existing development programs of the Department of Regional Economic Expansion, which in co-operation with the Department of Finance and other federal agencies will administer this loan program.

The projects should be additional to whatever would have been planned for 1971, or they should require financing that would have been beyond the provinces' borrowing capacity. A number of provinces advise us that they have important projects which they would like to move forward quickly in order to create new jobs and economic activity. This additional financing will make this help possible.

In making provision for this fund, we took carefully into account the special submission by the Prime Minister of Quebec to the federal-provincial conference of last September. That submission dealt with the question of evening out fluctuations in provincial revenues over good times and bad. It was agreed at the conference that federal and provincial ministers of finance should give further study to joint efforts to improve fiscal stability. The government's response in this regard as outlined today is directed to the immediate needs in the year ahead. We would plan, however, to continue to explore with the provinces the whole concept involved in possible joint stabilization arrangements for the future.

The federal government itself, of course, is also responsible for a wide range and variety of important capital works across the country. As a third measure of added stimulus, therefore, it is intended to allocate a further sum of $23 million to departments and agencies to undertake further capital improvements in regions where unemployment is most severe. This is a follow-up to the earlier decision announced in October to add $60 million to departmental spending. The review of programs undertaken in that connection indicated a further range of important needs that had been deferred because of the shortage of budgetary funds. It is now proposed to take further steps to reduce this backlog of requirements. Wherever possible this work will also be initiated this winter, continuing where necessary into the next fiscal year.

Parallelling this expanded capital program carried on by federal departments, a fourth program is also planned to accelerate the development of access roads and necessary local services in the area surrounding the new Montreal International Airport. Parliament has already provided substantial funds for construction of the airport itself. Work is getting into high gear on this major project. It will proceed rapidly throughout the year ahead. Services throughout the surrounding municipal areas must also be progressively developed if the region is to achieve its full potential as a dynamic centre for economic growth in the province and the country as a whole. A sum of $20 million of contributions to these needs will

therefore be allocated through the special areas program of the Department of Regional Economic Expansion.

A fifth measure proposed is to provide immediately a further amount of $40 million to the capital budget of Central Mortgage and Housing Corporation. As I have already recalled, the corporation's budget was raised by $100 million last August to enable it to expand its lending for construction of moderate cost homes for home ownership and rental accommodation for families of modest incomes. The response to this initiative has been remarkably quick. It is apparent that the corporation's program is filling a real and urgent need. As before, it is intended that the bulk of these additional funds should be directed to areas where housing and employment needs are greatest. This additional appropriation will help not only to assure a very high level of housing starts but also to strengthen the round of economic activity that accompanies the creation of new family homes.

Accompanying these direct government programs, three further steps to stimulate the flow of investment in the private business sector are proposed. The most important of these will be presented shortly to the House by the Minister of Regional Economic Expansion, but I should like to describe here very briefly the main highlights. Certain important amendments to the Regional Development Incentives Act will be proposed. If they are approved by Parliament they will be followed by the designation of a new region within which a special system of capital incentive grants will be applied to encourage new private investment. This new region will include the three countries of relatively slow growth in southeastern Ontario—Stormont, Glengarry and Prescott—and the southwestern part of Quebec, including Montreal, which is not now designated.

• (8:30 p.m.)

The development incentives will be available within this new area for a specific time period. We believe they will bring to more rapid fruition many investment projects which would not otherwise be likely to materialize for some time.

It will also be proposed that the present ceiling on incentive grants for individual projects in the Atlantic provinces should be raised, and that a new system of loan guarantees to assist in the financing of viable new enterprises in all the designated regions should be established.

As I have suggested, the details of these important extensions of the industrial incentives program will be made known shortly. They will go into effect as quickly as possible, although it will be some time before their cost will be reflected in our expenditures. It is also very difficult to predict the volume of investment likely to be effected or the probable cost of the incentives. Judging from experience with the program to date, the Department of Regional Economic Expansion foresees a total increase in outlays because of the new program amounting to about $130 million over the period of the next few years. Incentives of this magnitude certainly provide a powerful forward thrust to increased private capital investment and the creation of jobs throughout the designated regions. The new system of loan guarantees will reinforce that effect.

The other two measures to maintain and expand employment in the private sector directly are aimed at particular industries. One of these is the shipbuilding industry. As recently announced by the Minister of Industry, Trade and Commerce, a carefully designed program of further assistance to Canadian shipyards over the next year and a half is to be introduced to help our companies improve their competitive position and expand sales in strong world markets. We intend to provide the financial support required and we look to the industry to continue to diversify and increase its efficiency in serving both domestic and foreign markets. It is estimated that this program may cost upwards of $60 million over the next several years.

The other situation relates to the footwear industry, which is facing exceptional problems of adjustment. It is proposed that the provisions of the General Adjustment Assistance program should be extended to firms in this industry which require financial and technical aid to restructure their operations in order to improve their competitive position.

Both of these industries tend to be labour intensive. They are also located to a considerable degree in slower-growing regions of the country where unemployment is highest. They are, therefore, industries uniquely fitted to receive selective measures of support at this time.

Supplementary estimates covering several of these measures will be tabled in the House tomorrow morning.

Mr. Woolliams: Why don't you do it now?

Mr. Benson: In this over-all review of economic stabilization policy, I should also recall several other areas of expenditure of particular relevance to the expansion of the national economy in the course of the year ahead.

Last Monday the Minister of National Health and Welfare tabled the government White Paper on Income Security. Apart from its signficance as a social document, its proposals have important fiscal and economic implications which are likely to be widely debated. For the moment, however, I need only note the fact that beginning on April 1 next the proposed boost in the combined old age security pension and guaranteed income supplement up to the level of $255 per month for a needy couple will raise total federal payments by almost $200 million over the fiscal year. Under the proposed plan it would not be necessary to raise the taxes earmarked for old age pensions since the yield of these taxes appears adequate to finance the new system. Moreover, a plan along the lines suggested in the White Paper to restructure family allowances, that is, restricting them to families with incomes below $10,000 annually, more than doubling them for families in the lowest income brackets, and making the allowances taxable, would redistribute the expenditure toward needy families in a very significant way.

I should also recall yesterday's announcement by the Minister of Veterans Affairs regarding veterans' pensions and allowances, involving a net increase in expenditure of about $25 million next year.

Changes in our major social programs are clearly directed to the lower income groups in our society. They are also of greater relative importance to the weaker regions in the country. One can be sure that the great bulk of the expenditure will quickly work its way into the consumer spending stream. The impact of these long-planned measures of social justice will thus come just at a time when it is desirable to stimulate demand in the economy not only for purposes of the short-term economic upturn but also for continuous and sustained economic growth.

Much the same stimulus would flow from new government proposals in quite a different area. I refer here to the grain receipts stabilization plan outlined to the House five weeks ago by the minister responsible for the Canadian Wheat Board. If that plan is enacted and—

Mr. Horner: If!

Mr. Benson: —made applicable to the 1970-71 crop year as recommended, it will involve cash stabilization payments to western farmers next spring and summer totalling over $100 million. This would be the net payment contributed by the government to stabilize 1970-71 receipts. There would, of course, be important offsetting savings in government expenditure by the elimination of the temporary wheat storage payments which have been shown to be an inefficient form of assistance. However, the immediate effect of such a stabilization plan would be to put much needed cash into the hands of the farmers next spring.

The largest part of this flow of cash would go to Saskatchewan, where the provincial economy has been hardest hit by the decline in grain marketings since 1968. Large numbers of farmers in both Alberta and Manitoba, however, would also be helped. Taken together with the much higher grain sales and the prospects for further improvement, this early injection of cash would give a significant boost to the entire Prairie economy. Its multiplier and spill-over effects, in terms of increased purchases of goods and services imported from other provinces, both east and west, would be of great importance.

We can also anticipate that the very large and continuing contributions from the federal government to the provinces will prove to be an expansive source of support in the economy in the year ahead. These transfers both by way of unconditional equalization and the grants for the support of shared-cost health, welfare and education programs now require over $3 billion in cash payments.

The supplementary estimates for the current year have already shown an increase of about $79 million payable for equalization and related transfers. A further rise of about $90 million is anticipated for 1971-72. These increases illustrate the responsiveness of the equalization system in stabilizing and supporting the revenues and expenditures of those provinces which may experience a worsening of fiscal disparity when growth in the economy falls below normal.

As for the shared-cost programs, including health insurance, welfare assistance, and higher education, the excessive rates of cost increase experienced in recent years do show some welcome signs of slackening. Nevertheless a preliminary forecast indicates a further rise of almost $350 million in increased payments to the provinces in support of these basic programs.

Finally, I should mention that although the detailed estimates for 1971-72 are still pending, they are expected to provide for a further advance in the regional development work of the Department of Regional Economic Expansion. Total expenditures here may rise above the level of $300 million next year.

Mr. Speaker, I turn now to the implications this entire program has for the government's financial position in the current fiscal year and in 1971-72. I have not had occasion as yet to give an indication to the House as to our requirements for next year. Detailed estimates will be presented in the usual way early in the new year. Our present calculations envisage that the cash requirements for 1971-72 would be about $200 million higher than the $1,500 million we are now estimating for the current fiscal year. These figures are apart from any effect of foreign exchange transactions and from the effects of the new program I have described tonight. Our cash requirements for the current fiscal year are high and we still have a considerable portion of them to finance. The new programs will add about $100 million to the requirements for the current year and $400 million to those already contemplated for the next fiscal year. Thus with the new programs our cash requirements for 1971-72 would be half a billion dollars higher than this year's combined budgetary and non-budgetary needs.

We have given the most earnest consideration to the best means of financing these requirements. We want to impart as strong an impetus to the economy as we can without regenerating a spiral of price increases. At the same time we wish to give added support to the disadvantaged regions and groups in our economy. There have been expectations that I would be announcing tax cuts tonight. The government has had to consider whether such a measure would direct economic stimulus and support to these economically weaker regions and groups in the most effective way. We have concluded that it would not. A reduction of taxes would be stimulating, that is not to be doubted. But the positive programs I have described will not only be stimulating but will penetrate more surely to the particular points in the economy where stimulus and relief of economic hardship are most required.

• (8:40 p.m.)

In adopting this policy we have, as I have said, added greatly to our cash requirements. A responsible government which is operating on a realistic basis has to be concerned about the total size of its net borrowing requirements. We have to guard against creating too

rapid an expansion of the money supply, that is to say we have to guard against another encounter with the second obstacle to a rise in living standards that I have spoken of tonight—a renewed surge of prices. The borrowing needs of the government must be covered by a combination of sales of securities to the banking system and to the public. There are limits to the extent to which the banks can be encouraged to increase their holdings of government securities without running the very serious risk that the expansion and increased liquidity of the banking system will trigger inflation and expectations of inflation. There are also clear limits to the extent to which the general public can be induced to increase its holdings of government securities without this causing upward pressure on interest rates, which would of course restrain capital investment. High interest rates would also tend to push borrowers into foreign capital markets and either produce a further appreciation of the Canadian dollar or increase our need for cash to buy exchange in order to prevent such appreciation. A yet higher value for the Canadian dollar would also tend to restrain the Canadian economy. If we had to purchase exchange to prevent an appreciation, the financing of the extra cash requirements involved would produce yet more pressure on interest rates. I believe hon. members will agree that we must avoid such pitfalls.

For all these reasons, we have decided with reluctance that we shall have to find some of the cash required this fiscal year and next by means other than borrowing. I proposed, therefore, that taxes be kept at present levels by extending the surtaxes on personal and corporate incomes through the calendar year 1971. These surtaxes over a 12-month period are worth $245 million in revenue.

Hon. members I am sure will recall that the surtax on individuals does not apply to the first $200 of basic tax. It therefore does not apply to about 25 per cent of Canadian taxpayers. A single person does not pay any surtax if his income is below $2,743. A married man with two children does not pay any surtax if his income is below $4,343.

While I have no new general tax measures to propose tonight, I am proposing a special measure directed to our present economic circumstances. I referred earlier in my remarks to the fact that private capital investment has been one of the weaker elements in the picture. This has been particularly the case with respect to investment in our secondary industries. To encourage better performance in this area, I propose to provide a special incentive for all businesses engaged in manufacturing and processing. Effective tonight manufacturing and processing enterprises will be permitted to value new investments in machinery, equipment and structures at 115 per cent of their actual cost as a base for earning capital cost allowances. This capital cost allowance supplement will apply to such new capital investments put in place during the period commencing tomorrow morning and ending March 31, 1972. Further details will be provided in a bill and regulations.

Mr. Lewis: At what hour tomorrow morning—four o'clock?

Mr. Benson: One of my friends says, before you get up.

Mr. Lewis: That is at four o'clock.

Mr. Benson: Hon. members will recognize that this new instrument of Canadian fiscal policy is in harmony with our basic approach of focusing our measures upon the specific needs of the economy in order to attain maximum impact. Since the measure will increase significantly the net return on capital investment, I am confident that it will encourage new capital projects and speed up the implementation of capital outlays planned for the future, and thus create new jobs for a variety of the skills of our growing labour force. The tax bill of business enterprises affected will be reduced in each of the next several years to a total of about $250 million. For the fiscal year ending March 31, 1972, I estimate the reduction at $25 million.

With the permission of the House, Mr. Speaker, I should like now for the information of members to include as an appendix to *Hansard* tables in the form normally provided with budget speeches. These include a summary statement of our cash requirements for 1969-70 and our current forecast for 1970-71, the yields for the same two years of our main categories of budgetary and old age security revenues and again for the same two years, tables and explanatory notes giving the budget figures in terms of the national economic accounts in the form published by the Bureau of Statistics together with a reconciliation with the budgetary accounts.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's Note: For tables referred to above, see Appendix A*]

Mr. Benson: Since I last presented similar tables to the House in mid-October there have been some changes in the figures forecast for 1970-71 quite apart from those which arise out of the new measures announced tonight. In particular budgetary revenues are expected to be lower by $100 million owing to changes in the economy, especially those arising from substantial work stoppages. Expenditures will be some $50 million higher reflecting the impact of certain items already presented to the House as supplementary estimates. In addition, net non-budgetary requirements will be somewhat higher. Taking account of tonight's measures I am now estimating a budgetary deficit of $320 million and net non-budgetary requirements of $1,250 million, making a total cash requirement of $1,570 million apart from foreign exchange transactions in the current year.

For 1971-72, taking account of the programs described tonight including the continuation of the present level of taxes, we estimate that the budgetary accounts will show a deficit in the area of $600 million; and that our net non-budgetary requirements will be in the area of $1,300 million. Thus the total cash requirements excluding exchange transactions are expected to be approximately $1,900 million.

I should like now to speak briefly about the economic outlook. I have referred to the fact that real output and employment are now rising. It is my firm belief that they will continue to rise and gain in momentum through 1971. Unemployment, seasonally adjusted, fell last month. It is undoubtedly the case that the unadjusted figures of unemployment will rise through the winter months as they always do. But I am hopeful that seasonally adjusted unemployment will prove in fact to have peaked during this quarter unless an improvement is delayed by certain important labour disputes.

I do not wish to suggest that the route to full employment will be easy. With the rapid expansion of the labour force we are experiencing in this country and with the prospect of increasing productivity as the economy expands, very substantial rates of real growth will be required to absorb the new workers and reduce unemployment. But I believe that, led by the policies of the government, there will be renewed confidence in the private sector and a steady advance toward full utilization of our human and material resources. I expect a greater growth of consumer expenditure next year. I expect that investment in housing will be strong. As the year progresses I anticipate that other investments too will expand at an increasing pace. While we cannot expect our exports to show another leap forward next year similar to the one they made this year, they will continue to be strong. I feel sure that other levels of government will be demanding goods and services from the economy at a greater rate than this year. We have set our policies in the confidence that, guided by them, the economy will advance to new, higher levels of output that will permit growing employment, reduced unemployment and continued good price performance.

• (8:50 p.m.)

We are looking to growing increases in the value of gross national product next year, which by the second half may be running at a rate about 8½ per cent above the second half of this year. With continued good price performance these figures imply an increase in real output that will be sufficient to more than offset the increase in the labour force and expected growth of productivity and so reduce unemployment progressively during the year.

The governement will continue to watch the developing situation with great care and should policy changes become necessary or desirable we shall, as we have been doing, make suitable adjustments without delay. In saying this I have in mind not only progress toward full employment but also continued satisfactory price performance. If we do not achieve the restraint of prices and costs that we must have, we shall not shirk from action that may be required on that front.

Recently I took part in meetings of finance ministers in Brussels and of the International Monetary Fund and World Bank in Copenhagen. These meetings have given me an opportunity to compare notes about economic developments with government and business leaders of all the principal countries. Only last week we had a meeting here in Ottawa of the Canada-U.S. Joint Economic Committee and this gave me another chance to see how we are getting along compared with our neighbours. It is good to see your country though the eyes of others.

My counterparts abroad who are called upon to help manage their national economics would be pleased to claim for their countries the record of Canadian economic attainment over the past several years. They, looking from the outside, are able to see things about Canada which some of us, with myopic concern about day-to-day issues, fail to see in front of us.

Some hon. Members: Hear, hear!

Mr. Benson: Mr. Speaker, they see a high and rising standard of living, a strong currency, rapidly expanding export trade, the largest current account surplus in our history and, compared to most, a good price performance, and to them these are no mean accomplishments. When I remind them that the expansion of our economy and the growth of our employment have been less than adequate in recent months, and that the rate of cost increases is still too high, they point to their own very serious problems in exactly these same areas.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Hees: Even your own members are laughing at you.

Mr. Benson: Mr. Speaker, in concluding my budget presentation tonight I want to re-assert my strong and abiding optimism in Canada's future. We are endowed with bountiful resources to which the world is turning with increasing interest. We have sound and stable government and a well-established determination to keep it strong. The large investment of recent years in advanced education and vocational training will enhance the productive capacity of our rapidly growing labour force and help our people adapt more readily to requirements of a rapidly changing industrial technology. Our manufacturing industries have shown a remarkable capacity to penetrate world markets and meet import competition at home. We are working hard to expand economic opportunities in the weaker regions of the country and can, I think, rightfully claim some measure of success. We have improved and are continuing to improve the social security system and have made good progress towards a more equitable distribution of our national income.

I have no doubt, and I am not speaking as a government, that we as a Parliament—I trust all members of Parliament are responsible—and as a nation will overcome whatever difficulties will present themselves and keep the economy moving forward on a growth path with increasing momentum that will absorb our full human and material capacity.

Some hon. Members: Hear, hear!

Mr. Benson: And, Mr. Speaker, with a little patience we can reach this ultimate goal without rekindling the

fires of inflation. Investors from all over the world are obviously willing to place their bets on Canada, and my strong advice to Canadians everywhere is that there is no better bet.

Some hon. Members: Hear, hear!

• (9:00 p.m.)

Mr. Benson: Mr. Speaker, pursuant to section 1 of Standing Order 60, I wish to lay on the table of the House copies in English and French of notices of ways and means resolutions referred to in my budget statement.

[*Editor's Note: For text of notices of ways and means motions, see Appendix B.*]

An hon. Member: You have laid an egg.

Mr. Stanfield: That was the best part of the speech.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, it is obvious that the government, through the Minister of Finance (Mr. Benson) and its supporters, is vainly grasping at straws tonight to get back to the centre of the stage.

An hon. Member: Author!

Mr. Lambert (Edmonton West): Before I comment on the minister's remarks, Mr. Speaker, I must say that this evening we join with all in Canada in grateful appreciation and relief at the news that Mr. Cross has been found and is now in safe hands.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Having said that, Mr. Speaker, may I say that we have witnessed a posturing act—

An hon. Member: You've seen nothing yet.

Mr. Lambert (Edmonton West): And I am sure there is absolutely nothing in what we did see. This posturing act and the clichés offered by the government show their attitude. Of course, as has been said before about the activities of this government: Look at the damned mess we are in now.

On previous occasions, Mr. Speaker, the Minister of Finance has said there is need for only one budget a year. When we were discussing the budget he presented last March it was pointed out that the 3 per cent surtax would lapse. He was asked whether it would be restored, and he said no. But within the last few days the minister had to scurry and he told us we would be having a budget. Why? There are only two budgetary proposals here. One is a great deception of the Canadian public and works to the hardship of those people about whom the minister and the government pretend to care so much—the lower income earners. So what happens? The surtax is imposed for another year.

Some hon. Members: Shame!

Mr. Stanfield: Higher taxes; raise the taxes!

Mr. Lambert (Edmonton West): That is not giving any relief to low income earners. It gives no relief to old age pensioners—

An hon. Member: Six per cent unemployment and higher taxes.

Mr. Lambert (Edmonton West): —if they pay taxes. It gives no relief to anyone under the so-called poverty level. Everybody, whether rich or poor, gets the same relief of $200 of tax before the 3 per cent surtax is imposed. In this budget there is no measure to relieve that particular hardship. We are told with great fanfare that the Minister of Labour (Mr. Mackasey) has announced a 10 per cent increase in unemployment benefits. But that does not help the person who cannot qualify, nor the person whose benefits are running out; and there are thousands and thousands of them. You might as well give them cake, since you are not able to give them bread. What is required are jobs.

We are told about redistribution and about income security, but that does not take care of the winter. This measure only comes into force on April 1 next. We are also told about veterans allowances, but this will not help this winter either. That comes into effect in the spring. I suppose everything has to come with spring.

Mr. Crouse: This is a springtime budget.

An hon. Member: Like you.

Mr. Lambert (Edmonton West): At least I will come in the spring; you will never arrive. Mr. Speaker, we are having a budget at this time because of the erratic manner in which this government has conducted the economy over the past two or three years. First of all it stubbornly refused to recognize that we had inflation.

Mr. Pepin: What?

Mr. Lambert (Edmonton West): I will not go through, chapter and verse, all the attempts that were made to get the government to recognize that there was a problem of inflation. Then we saw a sudden awakening. The government was warned by the Economic Council of Canada in its fifth report, and we know what its reaction was to that gentle warning. In effect, the Economic Council said. "Be careful, because the measures that you have taken will have long and deep effect and may turn the balance the other way." In the fall of 1968 the Economic Council gave that warning, and the Minister of Finance will well remember how he—

Mr. Woolliams: I don't think he ever read those reports.

Mr. Lambert (Edmonton West): —appraised that incursion by the Economic Council, and how he felt they were criticizing the actions of the government. It was only a warning, but how true it was. Now we see the government scurrying the other way to restore the balance. And why? Because all its monetary and fiscal measures taken in an effort to fight inflation have resulted in massive unemployment.

Mr. Speaker, I do not for one moment share the optimistic attitude of the minister this evening with regard to his forecast. The minister shakes his head. But we know what his estimates have been in the past, his forecasts and his guarantees. They were not worth the paper they were written on.

Some hon. Members: Hear, hear!

Mr. Stanfield: He has never been right yet.

Mr. Lambert (Edmonton West): That is the reason we have this budget this evening. There is nothing interesting in this budget apart from the continuation of the surtax and the special depreciation allowances.

Mr. Woolliams: What do you expect from a small-town bookkeeper?

Mr. Lambert (Edmonton West): This statement could have been made on motions, Mr. Speaker. There is nothing here with regard to a tax cut. There is nothing here that says the government is resisting a cut at a meaningful level with regard to the sales tax on building materials. There is nothing here with regard to a tax cut for low income recipients, although I would have expected that to be attractive to the minister. It is in the general line of what he will have to do if he wants to put into practice at least part of the proposals contained in the white paper on tax changes. This is what he is driving at, Mr. Speaker. Now was an opportune moment to go part of the way on personal incomes—not next spring, not 1972. For these reasons I feel that the budgetary proposals will not meet the problem.

Let us review the proposals, Mr. Speaker. There are the unemployment benefits I have spoken about and the loans totalling $150 million, but when one looks at the formula for distribution and the type of work that has been brought forward, this is a disguised winter works program. With regard to the $150 million to be provided if provinces and municipalities wish to participate in these programs, when does the government think they will be able to bring their programs forward? Will they be able to put men to work next month, or the month after? The way bureaucracy works at all levels of government will result in these people still being unemployed next April and May. But it sounds good.

• (9:10 p.m.)

Also, one must look at the formula and the distribution. I call the attention of hon. members to the table at page 5 of the budget highlights where in the next to last column there is an indication of how much money will be available to the provinces. We see that for Newfoundland there is $5 million; for Prince Edward Island, $1 million; for Nova Scotia, $4 million; for New Brunswick, $4 million; for Quebec, $68 million; for Ontario, $17 million; for Manitoba, $8 million; for Saskatchewan, $5 million; for Alberta, $4 million and for British Columbia, $35 million. Mr. Speaker, there are many municipalities which could use the total of their province's entitlement and just drop it in one corner of their operations if they want to take care of the unemployment that exists and do something meaningful in this regard. Take the $4 million for the province of Alberta, for instance. That is not even a small drop in the bucket compared with what is required.

With regard to the $23 million, one should look at the miscellaneous estimates. We are now seeing how the $60 million is being apportioned and allocated among many departments. This is not an additional expenditure. This is really a reallocation of funds with regard to which there has been a shortfall of expenditure. They are funds which would normally die through the effluxion of non-expenditure. We are transferring them and they are an additional expenditure. What are we going to have in connection with this proposal? Will it be more of the same? Will there be further examination? Or is this $23 million merely a reallocation of credits from an estimate already provided for by Parliament. We shall see what the estimates reveal.

Then there is the matter of the $20 million. I suppose this will be a supplementary estimate for the Montreal international airport. We shall see whether that sum will provide jobs this winter. I suggest, Mr. Speaker, that we will not see those jobs next summer or next fall, but perhaps in the following spring. If my memory is right and my experience is correct, the Department of Transport and its engineers and architects, notwithstanding the good will of the genial Minister of Transport (Mr. Jamieson), just do not work that fast. As a matter of fact, on the basis of previous experience with regard to international airports, they will be lucky if they have spent any of this money by well into 1972.

I should like to consider further aspects of this budget. Therefore I move, seconded by the hon. member for Saint John-Lancaster (Mr. Bell), the adjournment of the debate.

On motion of Mr. Lambert (Edmonton West) the debate was adjourned.

On motion of Mr. MacEachen the House was adjourned at 9.15 p.m.

APPENDIX A

GOVERNMENT OF CANAD

Budgetary and Old Age Security Revenues
(Millions of Dollars)

	1969–70	1970–71 Forecast
Budgetary Revenues		
Personal Income Tax	4,562	5,315
Corporation Income Tax	2,612	2,355
Non-Resident Tax	249	255
Estate Tax	101	115
Custom Duties	818	820
Sales Tax	1,717	1,750
Other Duties and Taxes	897	990
Total Taxes	10,956	11,600
Non-Tax Revenues	1,357	1,435
Total Budgetary Revenues	12,313	13,035
Old Age Security Revenues		
Personal Income Tax	1,027	1,140
Corporation Income Tax	227	215
Sales Tax	577	595
Total Old Age Security Revenues	1,831	1,950

Federal Government Revenue and Expenditure on a National Accounts Basis
(Millions of Dollars)

	1969–70 Preliminary	1970–71 Forecast
A—Revenue		
Direct Taxes, Persons	6,790	7,655
Direct Taxes, Corporations	2,257	2,130
Direct Taxes, Non-Residents	252	255
Indirect Taxes	4,024	4,180
Other Current Transfers from Persons	4	5
Investment Income	1,052	1,240
Capital Consumption Allowance	214	235
Total Revenue	14,593	15,700
B—Expenditure		
Current Goods & Services	4,453	4,815
(Non-Defence)	(2,610)	(2,965)
(Defence)	(1,843)	(1,850)
Transfer Payments to Persons	3,702	4,235
Subsidies	571	660
Capital Assistance	97	140
Current Transfers to Non-residents	198	220
Interest on the Public Debt	1,675	1,880
Transfers to Provinces	2,719	3,700
Transfers to Local Governments	88	100
Gross Capital Formation	459	520
Total Expenditure	13,962	16,270
C—Surplus (+) or Deficit (−)	+631	−570

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FEDERAL GOVERNMENT EXPENDITURE

Public Accounts and National Accounts Reconciliation
(Millions of Dollars)

	1969–70 Preliminary	1970–71 Forecast
1. Budgetary Expenditures	11,938	13,355
Deduct		
2. Budgetary Transfers to Funds and Agencies (1)	−551	−620
3. Post Office Expenditures	−341	−390
4. Deficit of Government Business Enterprises	− 77	− 85
5. Reserves and Write-Offs	−323	− 85
6. Purchase of Existing Capital Assets	− 9	− 10
7. Budgetary Revenue Items Offset Against Budgetary Expenditure (2)	− 80	− 60
	(−1,381)	(−1,250)
Add Extra-Budgetary Funds Expenditure		
8. Old Age Security Benefits	1,732	1,910
9. Unemployment Insurance Benefits	542	825
10. Government Pensions	176	220
11. Prairie Farm Emergency Payments	4	5
	(2,454)	(2,960)
12. Expenditure of Government Funds and Agencies (1)	646	720
13. Capital Consumption Allowances	214	235
14. Miscellaneous (3)	91	250
15. Total Expenditure, National Accounts Basis	13,962	16,270
16. Surplus (+) or Deficit (−), National Accounts Basis	+631	−570
17. Surplus (+) or Deficit (−), Budgetary Basis	+375	−320

(1) In the national accounts, budgetary appropriations to various funds and agencies are replaced by the expenditure actually made by these funds and agencies.

(2) This item mainly consists of revenue from sales of goods and services by the government. These sales appear as final expenditure of the private sector and are deducted to avoid double counting.

(3) This item includes the supplementary period adjustment. In the national accounts, expenditures on goods and services in the supplementary period are divided between adjacent fiscal years; most other expenditures are shifted entirely to the next fiscal year.

FEDERAL GOVERNMENT REVENUE

PUBLIC ACCOUNTS AND NATIONAL ACCOUNTS RECONCILIATION
(Millions of Dollars)

	1969-70 Preliminary	1970-71 Forecast
1. Budgetary Revenue	12,313	13,035
Deduct		
2. Budgetary Return on Investment	−860	−955
3. Post Office Revenue	−355	−350
4. Other Non-Tax Budgetary Revenues	−142	−130
	(−1,357)	(−1,435)
5. Corporate Income Tax, Excess of Accruals (+) or Collections (−)	−582	−440
Add		
6. Old Age Security Taxes	1,831	1,950
7. Unemployment Insurance Fund, Employer-Employee Contributions	494	500
8. Government Pension Funds Employer-Employee Contributions	494	540
9. Prairie Farm Assistance Act Levies	6	5
	(2,825)	(2,995)
Government Investment Income:		
10. Interest on Loans, Advances and Investments	423	490
11. Interest Receipts on Social Insurance and Government Pension Funds	285	385
12. Profits before Taxes (Net of Losses) of Government Business Enterprises	344	365
	(1,052)	(1,240)
13. Capital Consumption Allowances	214	235
14. Miscellaneous (1)	128	70
15. Total Revenue, National Accounts Basis	14,593	15,700

(1) These miscellaneous adjustments represent insurance companies tax revenues, miscellaneous indirect taxes, miscellaneous transfers from persons and adjustment for the supplementary period. In the national accounts, revenue in the supplementary period is shifted into the following fiscal year.

GOVERNMENT OF CANADA CASH REQUIREMENTS
(Millions of Dollars)

	1969-70	1970-71 Forecast
Budgetary Transactions		
Revenues	12,313	13,035
Expenditures	−11,938	−13,355
Surplus (+) or Deficit (−)	+375	−320
Net Non-Budgetary Transactions Excluding foreign exchange transactions	−293	−1,250
Total Government of Canada Cash Requirements Excluding foreign exchange transactions	− 82	−1,570
Amount Required to Date to Finance Foreign Exchange Transactions	−335	−1,216*
Total Government of Canada Cash Requirements Excluding future foreign exchange transactions	−253	−2,786

*As of November 30, 1970.

APPENDIX B

NOTICE OF WAYS AND MEANS MOTION

AN ACT TO AMEND THE INCOME TAX ACT

That it is expedient to introduce a measure to provide that the surtax imposed on individuals and corporations by Part IA of the Income Tax Act be applicable in the case of individuals to the 1971 taxation year and in the case of corporations to taxable income earned in 1971.

NOTICE OF WAYS AND MEANS MOTION

THE INCOME TAX ACT

That it is expedient to amend the Income Tax Act to provide that a taxpayer who acquires prescribed property in the period between December 3, 1970 and April 1, 1972 for use in a manufacturing or processing business, shall, for the purpose of computing capital cost allowances in respect thereof and for other related purposes, be deemed to have acquired the property at a capital cost to the taxpayer equal to 115 per cent of his actual capital cost.

HOUSE OF COMMONS

Friday, December 4, 1970

The House met at 11 a.m.

SUPPLEMENTARY ESTIMATES (B), 1970-71

A message from His Excellency the Governor General transmitting Supplementary Estimates (B) for the financial year ending March 31, 1971, was presented by Hon. C. M. Drury (President of the Treasury Board) and read by Mr. Speaker to the House.

[*Later:*]

REFERENCE TO STANDING COMMITTEE ON MISCELLANEOUS ESTIMATES

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I would like to move, seconded by Mr. Benson:

That the Supplementary Estimates (B) for the year ending March 31, 1971, tabled in the House this day, be referred to the Standing Committee on Miscellaneous Estimates.

Motion agreed to.

[*Translation*]

ROUTINE PROCEEDINGS

COMMITTEES OF THE HOUSE

FINANCE, TRADE AND ECONOMIC AFFAIRS

First report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Clermont (Gatineau).

[*English*]

PROCEDURE AND ORGANIZATION

First report of Standing Committee on Procedure and Organization—Mr. Deachman.

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

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[*Translation*]

INDUSTRY

BOOK PUBLISHING—TABLING OF STUDY

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41 (2), I should like to table copies in the two official languages of the survey on the Canadian Publishing industry.

Hon. members can obtain copies from the distribution service.

[*English*]

AUDITOR GENERAL

EXPEDITING OF NEW BILL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish to make a motion under Standing Order 43, with which this House is vaguely familiar. The urgent circumstances are as follows: Yesterday the government withdrew Bill C-190, but it would appear that the recommendation from the Governor General still applies. I have today just filed notice of a bill entitled "An Act respecting the Auditor General of Canada" setting out, generally, the terms and conditions which were in a draft bill submitted by the Auditor General to the Public Accounts Committee at the request of that committee.

It is essential that this crisis of confidence in a parliamentary officer be resolved at once in order that the House may proceed to establish, without delay, a proper basis for the responsibilities and duties of the Auditor General. I therefore ask for unanimous consent to move the following motion:

That this House waives the 48 hours notice required under Standing Order 42 (1) and that leave be given to introduce the said bill this day.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Peace River under the terms of Standing Order 43 which requires unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimity and the motion cannot be put at this time.

* * *

• (11:10 a.m.)

CANADIAN BROADCASTING CORPORATION

ALLEGED BIASED NEWS REPORT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I rise to ask leave of the House to move a motion under Standing Order 43 to request that the government take action to refer a tape of the CBC national television news that was seen at 11 p.m. last night, December 3, relating to the events surrounding the withdrawal of Bill C-190 from the order paper of the

House, to the Standing Committee on Broadcasting, Films and Assistance to the Arts. Accordingly I move, seconded by the hon. member for Cape Breton-The Sydneys (Mr. Muir):

That this House requests the government to refer a tape of the CBC national television news of December 3rd, 1970, seen at 11.00 p.m. in Ottawa, relating to the withdrawal of Bill C-190 from the order paper of the House of Commons, to the Committee on Broadcasting, Films and Assistance to the Arts to determine whether or not that news report was biased and slanted in favour of the government.

Mr. Speaker: Hon. members have heard the motion. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: The hon. member for Regina East.

* * *

FINANCE

SALARY OF MINISTER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John Burton (Regina East): Mr. Speaker, in view of the newfound spirit demonstrated in the House yesterday toward motions moved under Standing Order 43, I hope the House will continue to demonstrate a positive response to such initiatives concerning matters of pressing importance and necessity. In view of last night's budget presented by the Minister of Finance, I should like to move under Standing Order 43, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the salary of the Minister of Finance be reduced for the winter months of January, February and March, to the average benefit received under the unemployment insurance fund, which is approximately $36 a week, plus the new increase of 10 per cent, for a total of $39.60, and that the minister report back to the House on April 1st the results of his experience in living on that salary.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: I must advise the House that the Chair has ever increasing qualms and doubts about the use of Standing Order 43. Hon. members know that a motion under this Standing Order requires the unanimous consent of the House. Is there such unanimity?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

REGIONAL DEVELOPMENT INCENTIVES ACT

PROVISION OF SPECIAL DEVELOPMENT INCENTIVE, LOAN GUARANTEE, ETC.

On the order: Introduction of Bills.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I should like to draw the attention of the House to the fact that on the notice paper notice is given by the Minister of Regional Economic Expansion of a bill entitled, "An Act to amend the Regional Development Incentives Act." It seems to me that it would be in the best interests of all of us to have the contents of the bill made available as quickly as possible. I therefore ask for the consent of the House for this bill to be given first reading so that it can be made available to hon. members as quickly as possible.

Mr. Speaker: Hon. Members will realize that again unanimous consent is required. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. MacEachen (for Mr. Marchand, Langelier) moved for leave to introduce Bill C-205, to amend the Regional Development Incentives Act.

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

ORAL QUESTION PERIOD

ORDER OF CANADA

SUGGESTED APPOINTMENT OF MR. AND MRS. JAMES CROSS AS HONORARY COMPANIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct a question to the Prime Minister. In view of the great courage demonstrated by Mr. and Mrs. James Cross and the services rendered to Canada and, indeed, to humanity at large by the courage, dignity and strength of character demonstrated by them in their time of crisis, would the Prime Minister consider, on behalf of the people of Canada, some appropriate recognition of this courage and service? For example, would he ask, on behalf of Parliament and all Canadians, that the Queen's Privy Council for Canada recommend to the Governor General the appointment of Mr. and Mrs. James Cross as honorary companions of the Order of Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the words of the Leader of the Opposition are well chosen. I agree with the statements he has made about Mr. Cross. As to the recommendation he has just made to the government, we will take it under the most earnest consideration. I thank him for the suggestion.

* * *

NATIONAL SECURITY

WITHDRAWAL OF PUBLIC ORDER (TEMPORARY MEASURES) ACT

Mr. David MacDonald (Egmont): Mr. Speaker, in view of the very happy news about the rescue of Mr. Cross, will the Prime Minister indicate whether he and the

members of his government are now giving consideration to the termination of the Public Order (Temporary Measures) Act?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should like to say that yesterday, in telling the House how elated we were about the news of Mr. Cross, I congratulated many of the participants in this drama but I omitted to mention the Canadian Armed Forces. I wish to state this morning that they performed a very difficult and trying role extremely well, which speaks very highly of them.

Some hon. Members: Hear, hear!

STATUS OF KIDNAPPERS OF JAMES CROSS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Justice relating to the statement by the minister that the kidnappers of Mr. Cross have been exiled. Is it the intention of the government to take away their citizenship by statute? If not, will the minister outline very briefly to the House the exact status of the kidnappers and their dependants?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, the word "exile" is probably inaccurate. As I understand it, there is no intention to proceed under the Canadian Citizenship Act. But I did mention that, subject to any undertaking of which I am not aware which might have been given by Mr. Demers who represented the federal and provincial governments, it is my view that if any person against whom there might be evidence relating to the kidnapping of Mr. Cross were to return to Canada he would be subject to prosecution.

CANADA-CUBA EXTRADITION ARRANGEMENTS—INFILTRATION OF CANADA BY ADVOCATES OF VIOLENCE

Mr. Eldon M. Woolliams (Calgary North): A supplementary question. I am not dealing with the three or seven persons that have left Canada, but are there extradition arrangements between Cuba and Canada at this time similar to those between Canada and the United States?

Hon. John N. Turner (Minister of Justice): I have not managed to research that point yet, Mr. Speaker.

Mr. Woolliams: A further supplementary. As the Royal Commission on Security stated very definitely that there was foreign infiltration advocating the use of violence and crime to overthrow governments in Canada, and they mentioned Cuba in particular, will there now be any further investigation with regard to infiltration and, in line with the recommendations of the royal commission, will the necessary protests then be made?

Mr. Turner (Ottawa-Carleton): I will take that question under consideration, Mr. Speaker. Nothing has changed in the attitude that the government has taken toward this problem over the last few months.

Inquiries of the Ministry

[*Translation*]

PUBLIC ORDER ACT—WITHDRAWAL OF ARMED FORCES FROM QUEBEC

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to ask the Prime Minister a supplementary question.

Did he recently talk with the Quebec Premier and was there any decision about the withdrawal of armed forces from Quebec? If so, I would like to know if the withdrawal will be gradual or total.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I had the opportunity recently—the day before yesterday, I think—to talk with the Premier of the Province of Quebec and we discussed the problem. He told me he intended to submit to us a plan for gradual withdrawal which would not be implemented now, however. Perhaps he gave full details to the Minister of National Defence, but I agreed with him on the principle of gradual withdrawal.

Of course, as I had told him before, I stated that the armed forces had been sent at the request of the province of Quebec and that we would not withdraw them before we were asked to do so by the provincial authorities.

[*English*]

ARRANGEMENTS WITH CUBAN GOVERNMENT RESPECTING KIDNAPPERS OF JAMES CROSS

Mr. Arnold Peters (Timiskaming): May I ask the Minister of Justice what financial or pension arrangements were made with the Cuban government for taking these exiles?

Hon. John N. Turner (Minister of Justice): I am not aware of any arrangements, Mr. Speaker.

WITHDRAWAL OF PUBLIC ORDER (TEMPORARY MEASURES) ACT

Mr. David MacDonald (Egmont): When I asked the Prime Minister a question earlier relating to the termination of the Public Order Act the right hon. gentleman apparently forgot my question and referred to the Armed Forces. Can the Prime Minister tell us now whether he or the government are giving consideration to terminating the Public Order Act?

Right Hon. P. E. Trudeau (Prime Minister): There is a clause in that Act which is a constant reminder to the government that it can cause the Act to be terminated. The events of yesterday certainly have not been assessed yet by the government in light of the hon. member's suggestion. I might say that we have plans to get periodic reports from Quebec and from our police officers so that we can keep this thing under review. Certainly it is not our desire to keep the Act in effect any longer than necessary, but there is no new development which can make me say today that we shall seek the termination of the Act now.

Mr. MacDonald (Egmont): In view of the concern felt about the powers conferred by this Act and in view of

the Prime Minister's statement that the situation will be under continuing review, would he or the Minister of Justice be prepared to make a statement on motions early next week outlining the reasons, if there are reasons, for continuing the Act over the next few weeks?

Mr. Trudeau: There is no reason I can see now for making a statement on motions. The reasons the bill was invoked and supported by all parties in this House, at least in principle, have not changed. It is a question of knowing how much longer we shall need to have the police exercise these special powers before there is certainty that the events which gave rise to the bill are no longer a threat to us.

EXTENT OF WARRANT FOR ARREST OF MURDERERS OF PIERRE LAPORTE

Mr. Eldon M. Woolliams (Calgary North): Realizing that the Act in question provides for arrest and detention without warrant, may I put these two questions to the Minister of Justice? The first part is obvious, I suppose. Is a warrant out for the arrest of Rose and his cohorts for the murder of Laporte in accordance with the appropriate sections of the Criminal Code, and is the power of that warrant in the hands of all police forces in the province of Quebec, namely, the Montreal city police, the provincial police and the RCMP, because these men have not been arrested yet?

Hon. John N. Turner (Minister of Justice): Because of the details involved in that question I should like to take it as notice and respond early next week.

Mr. Woolliams: Might I ask a further supplementary question because of the importance of this subject. Will the minister now seek to make a full statement to the House? It is rather appalling to find we cannot get this information on such an important matter.

Mr. Turner (Ottawa-Carleton): On a question of privilege, Mr. Speaker, I am in the House today representing the Solicitor General who underwent an operation yesterday and possibly I do not have all the detailed information the hon. member might require—and that was a detailed question. I am doing the best I can for the House.

Some hon. Members: Hear, hear!

* * *

THE CANADIAN ECONOMY

UNEMPLOYMENT AND ECONOMIC GROWTH FORECASTS

Mr. David Lewis (York South): I should like to ask the Minister of Finance whether he would be good enough to table in the House the forecasts concerning employment and unemployment in the coming winter months with which he has been provided by his departmental or other advisers?

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker.

[Mr. MacDonald (Egmont).]

Mr. Lewis: I did not hear the answer.

Mr. Benson: No.

Mr. Lewis: Mr. Speaker, I understand that the minister has refused to table those unemployment forecasts. If that is correct, is the minister willing to table material that would indicate to the House how he arrived at the forecast for the growth rate in 1971 in order that hon. members may be able to test forecasts against studies that have been made?

Mr. Speaker: Order, please. I would suggest to the hon. member that it might be difficult for the minister to make this kind of a statement by way of an answer to a question at this stage of our proceedings. The hon. member might try to find some other way to obtain the information he is seeking.

Mr. Lewis: Mr. Speaker, I did not think I had asked for a statement. Perhaps I did not make myself clear. I intended to ask whether the minister would table in the House whatever material was available to him which he feels free to table in order to give the House the basis of his forecasts of economic growth and unemployment next year.

Mr. Benson: Mr. Speaker, I could not table in the House all the conversations and information that has come to me from officials of my department. This varies from day to day. It is just impossible to do this. The hon. member's question would in fact mean that I should table all the confidential information of the Department of Finance. This is just impossible.

Mr. Lewis: I have a further supplementary question, Mr. Speaker. In view of the fact that the forecast by the Minister of Finance is at variance with the forecast made by the Chairman of the Economic Council on December 2, who suggested that to arrive at an unemployment figure of 4 per cent we would have to attain an economic growth of about 10 per cent—

Mr. Speaker: Order, please. Would the hon. member kindly ask his supplementary question.

An hon. Member: Make your speech later.

Mr. Lewis: Mr. Speaker, it is pretty difficult to ask this kind of a question without indicating the basis—

An hon. Member: Oh, sit down!

Mr. Lewis: In view of the difference between the minister's forecast and what Mr. Smith said was necessary, will the minister undertake to explain at some point the reason for his disagreement with Mr. Smith?

Mr. Benson: Mr. Speaker, I do not think it is necessary to make an explanation to the House every time there is a difference in forecasts by various people in the country. I have heard my hon. friend make some forecasts I thought were wild, but he did not try to explain why they varied from the facts.

Mr. Lewis: We will see whether they are wild.

ESTABLISHMENT OF ORGANIZATION TO MAKE SHORT-TERM PREDICTIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in view of the obvious reluctance of the Minister of Finance to give official forecasts, and in view of the fact that his forecasts have sometimes not been entirely accurate, will he again review the recommendation of the Economic Council of Canada that the government should support the establishment of an organization in the country for the purpose of making short-term predictions? Will the minister please give us his assurance that he will consider this in view of his refusal to make these predictions himself?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, quite apart from the intimation that I refuse to give information—I do not refuse to give information—the suggestion made by the Leader of the Opposition is well worth considering and I will give it serious consideration.

Some hon. Members: Hear, hear!

Mr. Benson: I have been doing so for some time.

Mr. Stanfield: For two or three years.

Mr. Benson: As a matter of fact, it was a matter of my personal view that some such organization might be supported and I got moving on it at one point some time in—

Some hon. Members: Oh, oh!

IMPACT OF BUDGET POLICY IN CREATING NEW JOBS IN QUEBEC

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Finance. In view of Prime Minister Bourassa's promise to provide 100,000 new jobs in Quebec whereas in the result only 3,000 new jobs have been found, will the minister tell the House what impact his new policy will have in increasing employment in Quebec?

Mr. Speaker: Order, please. I am sure the hon. member is not suggesting that this is a question which can be asked at this time. I am sure he must have in mind the possibility of a statement being made on motions. If he wants to rephrase his question along those lines it would be in order.

Mr. Gilbert: Mr. Speaker, I wonder whether the minister would make a statement on motions as to the impact of his policy in respect of the employment situation in Quebec in view of Mr. Bourassa's promise of 100,000 new jobs and the result of only 3,000 new jobs?

Mr. Speaker: Order, please. The Minister of National Revenue.

Inquiries of the Ministry

[*Translation*]

INCOME TAX

EXEMPTION OF FEES PAID TO SCHOOL BOARD MEMBERS

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, I should like to answer the question put to me on Wednesday last by the member for Abitibi.

His question deals with financial policy rather than the administration of financial legislation and consequently, it comes under my colleague, the Minister of Finance. The minister may perhaps give a further reply in due time.

* * *

[*English*]

GRAIN

ABOLITION OF TEMPORARY WHEAT RESERVES ACT

Mr. Craig Stewart (Marquette): Mr. Speaker, I should like to direct my question to the minister in charge of the Wheat Board. In view of the budget speech last night and the statement on western agriculture, can the minister tell the House when he will bring forth legislation abolishing the Temporary Wheat Reserves Act?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the exact question of timing on the legislation which may result from final decisions on the implementation of the recent proposals is yet to be determined.

Mr. Stewart (Marquette): Mr. Speaker, could the minister advise the House what the estimated savings to the government would be this year by abolishing the Temporary Wheat Reserves Act?

Mr. Lang: Not at this point in time but I probably could obtain some figures for the hon. member.

PRODUCTION AND RECEIPTS POLICY—STABILIZATION PAYMENTS TO FARMERS

Mr. John Burton (Regina East): Mr. Speaker, I have a supplementary for the Minister in charge of the Canadian Wheat Board. In view of statements in the budget address last night concerning the grain stabilization proposal, could the minister indicate if it is the intention of the government, on the adoption of such a proposal, to arrange for payments under the stabilization plan to the farmers during the Spring months?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the proposal indicates a hope to have a payment made for the current crop year. The final determination of the payment, assuming the legislation required is in place, would of course require figures which can only be final at the end of the crop year so it would likely be made in the fall, but it is envisaged that payment of up to $100 million might be made.

Inquiries of the Ministry

PRODUCTION AND RECEIPTS POLICY—REQUEST FOR STATEMENT FOLLOWING MEETINGS WITH FARM LEADERS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I ask the minister, in order that these various programs or part programs may be brought into focus, whether, following the meetings with farm leaders which he told me yesterday would take place within the next ten days, he will make a statement to the House setting out the results of those meetings and outlining with some clarity the proposals he intends to set before the House?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Again the hon. member insists on suggesting dates and times which I do not think I have anything to do with. There will be many meetings, some taking place say two weeks from today or a day or two ago in two weeks, but I am not sure if as a result of those meetings it would be useful to make a further statement. When a decision has been taken as a result of all the consultations which are going on and the many consultations we are having with farmers generally across the Prairies, I shall be glad to enlighten the House further.

* * *

TRADE

EFFECT OF GENERAL MOTORS STRIKE ON AUTOMOTIVE BALANCE OF PAYMENTS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Can the minister inform the House if the prolonged General Motors strike has reversed the automotive balance of payments in favour of the United States and, if so, has the government any plans to remedy the situation?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, there was a strike in the United States too, by the way, which would have a similar effect on the United States automobile production.

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AIR TRANSPORT

BASING OF FARES BY CERTAIN AIRLINES ON CANADIAN DOLLAR PEGGED AT 92 CENTS—TRANSPORT COMMISSION DIRECTIVE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, this question is for the Minister of Transport. Is the minister now in a position, in response to inquiries from all sections of the House, to make some further comment about air fares and the possibility of obtaining reduced fares if one can get hold of some United States dollars?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker. The Canadian Transport Commission has issued a rather lengthy statement. I think the core of it is that the Air Transport Committee herewith directs that—this is to all established airlines in Canada—a new currency conversion rate be adopted for effect not later than December 15, 1970, which reflects the closing rate of the interbank exchange market for United States dollars in terms of Canadian dollars for December 1, 1970. The effect of this ruling and directive from the CTC is to correct the anomaly which existed previously.

Hon. W. G. Dinsdale (Brandon-Souris): I have a supplementary question, Mr. Speaker. Now that the government has acted on this matter, can the Minister of Transport assure the House that there will be compensation paid to Canadians who were bilked under the former policy, particularly in light of the increased profits announced by Air Canada recently?

Mr. Jamieson: Mr. Speaker, I do not know anything about increased profits announced by Air Canada. In respect of the first part of the question, my hon. friend knows that is quite impossible.

* * *

HOUSING

PROVISION OF REASONABLE RENTAL ACCOMMODATION FOR ARMED FORCES PERSONNEL

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to pose a question to the Minister without Portfolio responsible for housing. Will some or all of the further $40 million that the Minister of Finance announced last night would be added to the capital budget of CMHC be lent to provide reasonable rental accommodation for men in the ranks of the armed services who are posted to cities such as Ottawa and find that because of the generally high level of rents they must pay more than half their take-home pay for inadequate housing?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, the programs under the CMHC capital budget all across the country are directed to people in the lower half or lower third of the income group. Whether it is this $40 million or other sums that have been spent this year and will be spent next year, these sums are directed to that end. I appreciate the hon. member having drawn that particular situation to my attention. I will look into it but, generally speaking, if their income qualifies them for access to this kind of housing we will be most receptive to providing it, within budgetary constraints.

Mr. MacLean: I have a supplementary, Mr. Speaker. Would the Minister undertake to discuss the matter with his colleague the Minister of National Defence in view of the fact that these personnel do not come to these areas by choice but are posted because of the requirements of service in the armed forces?

Mr. Andras: I will be glad to do so, Mr. Speaker.

STIMULATION OF CONSTRUCTION IN HIGH UNEMPLOYMENT AREAS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a supplementary question to the minister. Has the minister decided on a course of action the result of which would be to stimulate the building of houses in areas where unemployment is the highest?

Hon. Robert K. Andras (Minister without Portfolio): I think we have been doing quite a bit of that in the past year. Employment certainly is one of the objectives in respect of the allocation of CMHC funds for next year in addition to providing housing for those areas and those people that need it most.

* * *

FINANCE

PROVINCIAL BORROWING FROM SPECIAL LOAN FUND

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I should like to direct a question to the Minister of Finance. Have any of the provinces indicated they are prepared to take up their share of the proposed $150 million special loan fund and, if so, will he tell us which provinces?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, we are having a finance ministers' and provincial treasurers' meeting on Monday and Tuesday next and I imagine this matter will come up for consideration at that time. In view of the very attractive rate at which the funds can be borrowed compared with what the provinces have to pay in the open market, I would think they would all be quite happy to take up the funds.

* * *

POWER

PROPOSED FLOODING OF SKAGIT RIVER VALLEY—REQUEST FOR STATEMENT BY MINISTER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Fisheries arising out of an answer he gave me a few days ago in respect of the Skagit Valley when I asked what action the government had taken with regard to this question by way of discussions with the United States authorities. At that time the minister said that we had to solve this question within our own country first. Would the minister make a statement to the House on motions early next week indicating where the matter stands in the view of the government, precisely what the problem is and, in particular, what action the government is taking or is proposing to take in respect of this problem?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, I will be making certain recommendations to the government in this connection and, assuming that they or some modifications of them are accepted, I think it might be reasonable to make a statement in the House in a few days time.

Inquiries of the Ministry

TRADE

POSSIBLE BRITISH ENTRY INTO EUROPEAN COMMON MARKET—REVIEW OF CANADIAN ECONOMIC COMMITMENTS UNDER NATO

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Industry, Trade and Commerce. In view of the fact that the Secretary of State for External Affairs yesterday is reported as making an unusual foray into commercial matters at the Brussels NATO ministerial meeting, where he called for a constant dialogue between the United States and Europe to avoid trade confrontation, is the minister now in a position to answer my question of Tuesday when I asked if it was the intention of the government or the minister to press for a complete review of our NATO commitments and responsibilities on economic matters, in the hope of offsetting any economic losses which may occur to Canada if Britain does join the European Common Market?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the reason that the Secretary of State for External Affairs is in Europe now is to amplify what I did on my own tour which was exclusively of economic import. He is now trying to demonstrate the effect of enlargement of the Common Market on future Canada-Europe relations, and in doing so he is making the sort of comments that have been reported. I do not feel competent to deal with the question as to the effects of this on NATO, and I think I said quite properly that I would bring the hon. member's question to my colleague's attention when he gets back.

* * *

FINANCE

PROPOSED TAXATION OF FAMILY ALLOWANCES—INCREASED EXEMPTIONS FOR CHILDREN IN FAMILIES EARNING MORE THAN $10,000 PER YEAR

Mr. Maurice Foster (Algoma): Mr. Speaker, I wish to direct a question to the Minister of Finance. In view of the fact that family allowances are to be taxable under the proposals in the white paper on social security, can the minister say if there will be increased exemptions for children in families earning over $10,000 per year who will not qualify to receive family allowance benefits?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, if this proves to be the case and if the new system of family allowances were adopted the government would have to make a decision in this regard, and indeed it will have to make a decision in any case when the tax reform proposals are brought forward, presumably in the spring.

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POLLUTION

ATLANTIC OCEAN—DUMPING OF OIL BY U.S. MILITARY FORCES—SAFETY PRECAUTIONS IN OFFSHORE OIL DRILLING

Mr. G. W. Aiken (Parry Sound-Muskoka): Mr. Speaker, I wish to direct a question to the Minister of Fisheries

and Forestry, and I direct it to him as the expectant minister of environment. Has the government made or is it planning to make through normal channels any representations to the United States with regard to the intentional dumping of excess oil supplies by the U.S. military into the Atlantic ocean?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, I have not heard any specific reference made to intentional dumping of oil by U.S. authorities, but I will make inquiries.

Mr. Aiken: Mr. Speaker, in view of the continued large spills of oil from underwater oil drilling, is the government planning any discussions with the major oil companies that are now drilling off shore, with regard to safety regulations?

Mr. Davis: Yes, Mr. Speaker, discussions have been going on, and various precautions have been taken in this connection.

COME-BY-CHANCE OIL REFINERY—PROTECTION OF MARINE LIFE

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I wish to direct a supplementary question to the Minister of Fisheries and Forestry. On November 17 I asked the minister to give the House an assurance that all necessary precautions would be taken against pollution from the refinery at Come-By-Chance, to which the minister replied that he was keeping a close eye on the situation. Is he aware of a report submitted by Dr. Warner, environmental biologist at the university in Newfoundland, dealing with the establishment and construction of the proposed refinery at Come-By-Chance?

Mr. Speaker: Order. The hon. member knows he may not ask whether the minister is aware of the existence of a report. A question in those terms is not in order. The hon. member for Winnipeg North Centre.

Mr. Carter: On a point of order—

Mr. Speaker: Order. I will return to the hon. member later.

[*Later:*]

Mr. Carter: Mr. Speaker, mine is a supplementary question to the Minister of Fisheries and Forestry. In light of the report submitted by Dr. Warner and the evidence given by Dr. Warner at the recent environmental pollution committee meeting, is the minister now satisfied that all necessary precautions are being taken to guard against pollution from the refinery at Come-By-Chance.

Hon. Jack Davis (Minister of Fisheries and Forestry): I am not entirely satisfied, Mr. Speaker, and will be making further inquiries.

Mr. David Anderson (Esquimalt-Saanich): As a supplementary question, Mr. Speaker, can the minister inform the House whether the Come-By-Chance oil refinery authorities have requested permission from his department to proceed with construction, and requested the approval of his department in accordance with the amendments to the Canada Fisheries Act which we passed last session?

Mr. Davis: Mr. Speaker, in matters of this kind the initiative must be taken by the officials of my Department. I can assure the hon. member that the necessary initiative has already been taken in this case.

* * *

PRICES AND INCOMES COMMISSION

METHOD OF PROVIDING FOR PAYMENT OF INCREASED COST

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Treasury Board. In view of the statement that the minister made in response to a question of mine in the House on October 13, may I ask him whether the increased costs of the Prices and Incomes Commission are being covered out of the contingency fund? I am sure the minister realizes that he said then that these increased costs would be covered by a supplementary estimate, but in view of the fact that no such supplementary estimate has been tabled can the minister say how these increased costs are being covered?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think the hon. gentleman assumes that there are increased costs. His colleague was indicating to us yesterday that there would be decreased costs. What I said in response to the question the other day was that if there are increased costs over and above the provisions already made, these will be covered by supplementary estimates. If the costs are less in the current year than forecast the money will not be spent, and there will be no necessity for a supplementary estimate.

Mr. Knowles (Winnipeg North Centre): As a supplementary question, may I ask the minister if he is in a position to say that the costs of the Prices and Incomes Commission are being held within the original estimate?

Mr. Drury: Mr. Speaker, to the best of my knowledge they are.

* * *

[*Translation*]

INCOME TAX

EXEMPTION OF FEES PAID TO SCHOOL BOARD MEMBERS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to put to the hon. Minister of Finance the question I had addressed to the Minister of National Revenue on December 2 last.

I would like to ask him whether, following the requests made by the Quebec Association of school boards, he intends to recommend to the government to consider non-taxable entertainment allowances paid to school board trustees, which is what Quebec is doing at the present time?

[*English*]

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, this is a question that has come up over a period of many years, and of course it is a matter which is under review with respect to the tax reform bill that we intend to bring forward. I think if one looks back one will recall with respect to many of these allowances which are presently tax free that it was recommended that they not be tax free.

* * *

NATIONAL DEFENCE

DEPLOYMENT OF EMERGENCY SUPPLIES TO FALL-OUT SHELTERS—MARKING OF LOCATIONS

Mr. S. Perry Ryan (Spadina): Mr. Speaker, in the absence of the Minister of National Defence my question is directed to the Prime Minister. In order to be prepared for nuclear accident or warfare, and to assist with winter works this winter, would the Prime Minister consider deploying emergency supplies in the next few months to all inventoried public and private fall-out shelters, and cause the public marking of the locations of them?

Right Hon. P. E. Trudeau (Prime Minister): I will take the question as notice for the minister, Mr. Speaker.

* * *

TRADE

AGRICULTURAL PRODUCTS—IMPROVEMENT OF ACCESS TO OTHER COUNTRIES

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the recommendation of the four discussion groups dealing with marketing and trade at the recent agricultural congress, to the effect that Canada should take the initiative in improving access to other countries for agricultural products, will the government take steps as soon as possible to implement this important recommendation?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): We will do our best, Mr. Speaker.

* * *

[*Translation*]

POLLUTION

GRANTS TO INDUSTRIES FOR RESIDUAL WATER PURIFICATION

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I have a question for the minister responsible for housing and urban affairs.

Inquiries of the Ministry

As he is no doubt aware of the considerable amount of pollution created by industry, would the minister tell the House if the government intends to grant subsidies or tax reductions to encourage a larger number of industries to ensure treatment of their waste-waters?

[*English*]

Hon. Robert K. Andras (Minister without Portfolio): I will take the question as notice, Mr. Speaker.

* * *

AIR TRANSPORT

CONSULTATIONS WITH MANUFACTURERS OF DC-8 ON SPOILERS

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of Transport. Are officials of the Department of Transport consulting with the manufacturers of the DC-8 jetliner for the purpose of perfecting the design of a fail-safe spoiler for that aircraft, which would prevent the inadvertent deployment of the spoilers while the aircraft is still in the air?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the hon. member will know that I would not be able to give him a technical answer with regard to the specifics of the question. I do know that there are ongoing conversations with the manufacturers of the aircraft relating to the accident and it is reasonable to suggest that this is the main subject of discussion. I do not want to get too technical because I am afraid I am not competent in that field.

Mr. Nielsen: I wonder if the minister would inquire of his officials to determine whether this particular safety factor is being looked into, and when conclusions have been reached by his officials would the minister report to the House?

Mr. Jamieson: I will be very glad to do that, Mr. Speaker.

EFFECT OF SONIC BOOM

Mr. Randolph Harding (Kootenay West): I have a question for the Minister of Transport, Mr. Speaker. Has the government formulated a definite policy in regard to the sonic boom and its effect on Canadian communities in general? If not, what surveys on the problem have been made or are contemplated by the Department of Transport?

Mr. Speaker: I would suggest to the hon. member that this is information which might be given by way of a statement on motions or his question could be put in writing or, as a third alternative, it could be considered at the time of adjournment.

Inquiries of the Ministry

CANADIAN WHEAT BOARD

INQUIRY AS TO APPOINTMENT OF NEW CHIEF COMMISSIONER

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the minister responsible for the Wheat Board. How soon can we expect the appointment of a chief commissioner for the Wheat Board, and will he be someone from within the grain industry or is the minister looking elsewhere for an appointee?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, as I indicated to the House some time ago I thought it appropriate to await the report of the committee appointed by the Wheat Board itself to examine its own operations before giving further consideration to this matter, particularly in view of the fact that the present commissioners are doing an extremely competent job of handling the work at the present time.

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PUBLIC SERVICE

TRANSFER OF TRANSPORT DEPARTMENT EMPLOYEES TO CAPE BRETON DEVELOPMENT CORPORATION

Mr. Robert Muir (Cape Breton-The Sydneys): I have a question for the Minister of Transport, Mr. Speaker, although I know he is busy enough. Would the minister inquire and report to the House on the progress being made in the transfer of Department of Transport employees at what is now known as the Point Edward Industrial Park, formerly the naval base, to the Cape Breton Development Corporation which comes under the Department of Regional Economic Expansion? At the same time would the minister report whether the employees of this department, when transferred, will retain benefits compiled over the years as public service employees?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have been advised of the subject matter of the question and have to report that I have had conversations with the Minister of Regional Economic Expansion and have also written to him about the details of the various elements involved in the controversy, if it can be called that. I shall be happy to report to the hon. member and the House as soon as I receive a reply.

* * *

PENITENTIARIES

PRINCE ALBERT—ESCAPE OF PRISONERS AND FIRE

Mr. Rod Thomson (Battleford-Kindersley): I have a question for the Minister of Justice in his capacity as Acting Solicitor General, Mr. Speaker. Could the minister now report on the escape of prisoners and the fire at the penitentiary at Prince Albert?

Hon. John N. Turner (Acting Solicitor General): Not completely, Mr. Speaker. I shall undertake to do that on Monday in my capacity as Acting Solicitor General.

[Mr. Speaker.]

NATIONAL SECURITY

REQUEST FOR STATEMENT ON AGREEMENT FOR RELEASE OF JAMES CROSS

Mr. Robert Simpson (Churchill): Mr. Speaker, it being apparent from the previous answers of the Minister of Justice that the government is not yet fully informed of all the arrangements made for the release of Mr. Cross and the safe passage of the kidnappers to Cuba, will the minister make a full and complete statement on motions on Monday or early next week outlining the agreements which were made relative to that release?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I cannot accept the premise of the question. The terms of reference given to Mr. Demers were very clear that while he could discuss the circumstances of safe conduct out of Canada for those having some connection with the kidnapping of Mr. Cross, there was to be no discussion of any such treatment for anyone suspected of having any connection with the murder of Pierre Laporte. Those were the terms of reference. I just want to be assured that no further undertakings were given by Mr. Demers in the conversations he had. In the circumstances, I do not think a statement to the House is necessary.

Mr. Speaker: Orders of the day.

Mr. Simpson: On a point of order, Mr. Speaker, the minister said that he did not accept the premise of the question when I said it was apparent that the government was not fully informed. In one of his previous answers the minister stated that they were not fully informed on the arrangements.

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MANPOWER

LEGITIMACY OF ORGANIZATION ADVERTISING SUMMER EMPLOYMENT FOR STUDENTS IN GERMANY

Mr. Speaker: The hon. member for Grand Falls-White Bay-Labrador on a point of order.

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, I am not given to asking too many questions and when I do ask a question the House may not regard it as too important, but I do. Today I have what I regard as a very important question and I should like the indulgence of Your Honour to be given permission to ask it.

Some hon. Members: Agreed.

Mr. Speaker: It is not my indulgence but it is the indulgence of the House that is required. As far as I am concerned I enjoy the question period so much that I would be prepared to go on all day.

Some hon. Members: Hear, hear!

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Peddle: Mr. Speaker, I do not enjoy the question period that much. My question is directed to the Minister of Manpower and Immigration and concerns a publication of an organization called SEE—Students Employment Europe—inviting applications for 5,000 student summer jobs in Germany. Considering that upward of some two million young Canadian students are in the category to which the invitation is directed, can the minister advise if he has investigated the legitimacy of this organization, SEE, and their student employment program?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, my colleague the minister responsible for citizenship indicated in the House earlier that investigations are being made in regard to this organization. While it would appear that the organization was well-intentioned, it has no official connection whatever with the government and indeed had no official means of assuring placement of the students abroad. The activity of the organization is therefore ceasing, although our department and the department of the minister responsible for citizenship are endeavouring to make use of some of the information and some of the interest expressed by young people who have communicated with the organization.

Mr. Peddle: A supplementary question, Mr. Speaker?

Mr. Speaker: Has the hon. member the further indulgence of the House for a supplementary question?

Some hon. Members: Agreed.

Mr. Peddle: Mr. Speaker, in view of the fact each student applying is obliged to forward $1 with his application, which would represent a potential return of up to $2 million to the organization SEE, would the minister not agree that since two months have elapsed it is high time Canadian students were advised that this SEE program is legitimate or that it is, as it appears to be, simply a skilfully contrived shakedown?

Mr. Speaker: Order, please. The hon. member's supplementary question is obviously of an argumentative nature.

An hon. Member: It was a good question.

GOVERNMENT ORDERS

OLD AGE SECURITY

AMENDMENTS RESPECTING AMOUNT OF PENSION, MAXIMUM SUPPLEMENT AND ESCALATION THEREOF

The House resumed, from Thursday, December 3, consideration of the motion of Mr. Munro that Bill C-202, to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Services.

Old Age Security

Mr. Arnold Peters (Timiskaming): Mr. Speaker, yesterday when I heard the hon. member for Ottawa West (Mr. Francis) use the word "demogrant" I was not sure whether I should be insulted, because he kept referring to my party as being in favour of it. I did not know whether it was a bad word or not so I looked for it in the dictionary but could not find it. However, in the white paper it is explained as meaning universal grants. But the hon. member for Winnipeg North Centre (Mr. Knowles), who is a little ahead of the dictionary, indicates that it comes from the Greek word "demo", meaning people and "grant" of course, is self-explanatory.

It may be a good word, and if it means what my hon. friend says it means, then I am in favour of it and have no objection to it being used in that sense. The development of new words runs ahead of the dictionary on the table, Mr. Speaker, and maybe they are more specific than some of the words that have been used more generally in the past.

• (12:00 noon)

I am sure everyone was pleased with the presentation of the white paper on income security for Canadians. Many of our Canadian people are living in circumstances of serious need and changes must be made that will enable those Canadian people to acquire an income which will provide them with the necessities of life. There is great difficulty in determining where the poverty line should be drawn, and especially where it should be drawn for our older people. I am sure everyone agrees that Canada has the resources and wherewithal to give our senior citizens the type of income that will allow them to live out their last years decently, as a reward for their work in developing Canada. This income must be sufficiently large to make sure that our older people are not in want.

Over the years we have changed our old age pension provisions. Every time we have tried to raise pensions some politicians in this House have said that the old age pension should not be raised. Not many years ago some of them were saying that a pension could not even be implemented. I have been interested in the question of the old age pension ever since it was at the level of $40 a month. Going back somewhat, I can remember the time when Mr. Harris lost an election by saying that the old age pension increase ought not to be $10, but that it ought to be $6. After that, the old age pension was increased by $10 every time a new government was elected. Actually, the old age pensioner was the only one who was happy with the numerous general elections that we had in this country over a short period of time.

Last night the Minister of Finance (Mr. Benson) brought down a budget. Many members of the general public who know of the difficulties of old age pensioners and of others receiving assistance under the Canada Assistance Plan as well as other federal programs, realize that there is an anomaly in providing assistance of certain kinds and then taxing part of the money that is

received in this way. Let us take as an example the supplementary benefits to be made available under the bill we are discussing. We shall be granting to a single person $1,620 a year, or $135 a month. That will be paid to persons having no income other than the pension. Such people may be able to get by on $1,625 a year; yet, under our income tax laws, they will have to pay tax on that amount in excess of $1,100 that they receive, because a single person's basic exemption is $1,000 plus $100, for a total of $1,100. As a result we shall collect income tax on the remaining $520 which, at a tax rate of 15 per cent, amounts to $75 per year.

I do not know what the people in the Departments of National Revenue or Finance are thinking. Surely, there is something wrong with our tax structure when old people, and particularly those between the ages of 65 and 70 who receive the supplement on the basis of a means test, must pay income tax. I was surprised that the government should bring forward a budget which made no changes in the personal exemption levels. I am surprised that those on welfare were not considered. The difficulty is worse for a married couple than for a single person.

If a wife is working or obtaining an income, once she reaches the level of $920 she cannot be classed as married for income tax purposes. She is classed as single and must pay tax. If she does not pay that tax, the additional tax is deducted from her spouse's income. Surely, the government could have given some consideration to this specific matter. If it had been considered in the budget, perhaps the bringing down of a budget last night would have been justified. The level of personal exemptions ought to have been raised.

It was said, when we suggested in connection with the white paper on tax reform that the exemption for a single person ought to be increased to $1,500, that such an increase in the exemption would deprive the government of between 15 per cent and 25 per cent of its revenue from income tax. It seems that single people receiving incomes of $1,500 or $2,000 pay between $100 and $200 in income tax. They cannot bear such a burden. The burden could be borne better by those earning $12,000 a year and more, by people such as Members of Parliament. The income tax of several thousands of dollars they pay hurts them less than the smaller sums that the less well off must pay. I, therefore, think that we are being very dishonest with the older citizens of this country.

Farmers have asked me questions concerning income tax, and I admit that perhaps I gave them incorrect advice. I am particularly thinking of a farmer who worked hard all his life on a small farm. He kept his wife and himself, raised a family and sent them to school. He lived all these years without ever earning enough to pay income tax. This man was very religious, very honest and very sincere. As I say, he never was in the category of those who had to pay income tax. Having finished farming—he is 84 years old now—he asked me if I would help him in filling out an income tax form. Having been left with about 50 sheep, which produced an income for him of between $400 and $500 from the sale of wool and lambs, he thought he ought to pay income tax. He said to me that he ought to start making out his income tax form. I said, "For God's sake, don't get mixed up with the income tax people at your advanced age; they will ask you to go back probably 15 years and produce records of your farm income; they will wonder why you were not paying income tax during all that time." He had absolutely no records to prove that he did not have enough income to pay income tax. I told him that since he had no records of expenditures or earnings, although I was quite prepared to help him with his tax forms, it would be best if he did not become involved with the Income Tax Department. I said, "They will wonder why you did not file any tax forms before this; why you did not file any last year, the year before and in the years before. I am afraid you will not be able to make this kind of arrangement." My advice therefore to that old age pensioner was, "Do not file an income tax form."

I should like to know what other Members of Parliament have said to old age pensioners they represent? I think we all agree that no tax ought to be levied on the pensions our elderly citizens receive. Yet, in the new proposal which is to become effective next April, single pensioners will be required to pay back to the government $75. They cannot afford this. The minute the supplement is paid to old age pensioners, they will be required to file income tax returns and pay back $75. How many Members of Parliament will say to their constituents, "Do not file a form and do not pay the tax"? I am sure most hon. members realize most old age pensioners will not be in a position in April of any year to pay $75. The tax for a single pensioner will be $75 and it will probably be more than $150 for a married couple, if both are receiving the supplement.

• (12:10 p.m.)

Many members say this is not important. If this legislation is passed, Mr. Speaker, we will have legislation which will cause people to be dishonest. If by this legislation a million of our citizens become liars and cheats, then something is wrong with our income tax exemption system. If we pass this legislation knowing that this will happen, we are dishonest. Something should be done about it. The Minister of Finance should have dealt with this situation in the budget he presented last night. I am sure all hon. members realize that when we establish a guaranteed income supplement with a means test or a needs test, we are not providing extra income for those who will be receiving it. We should establish an income tax structure that will allow these people to keep the money given to them. It should not be considered welfare.

If the family allowance, unemployment insurance and other benefits are to be considered income, there will not be a guaranteed annual income. If these benefits are to be taxed, we should change our income tax structure so that these benefits can be considered as welfare. These bene-

fits should not be taxable. We must not create a situation whereby those receiving the benefits will intentionally lie and cheat, with the full knowledge of the legislators.

In the white paper, of which social security is only a part, the guaranteed income is considered as a right of all persons. I am deeply involved in the program under the Canada Assistance Plan as well as the welfare structure in Ontario. I am concerned about the number of people who say to me they will not apply for assistance. These people do not qualify for disabled pensions. They cannot get a job because they are over 50 years of age, have no education and cannot be retrained. They will not apply for welfare because of their Christian heritage. They believe that it is good to work and bad to receive welfare. To receive welfare, in their opinion, indicates that a person is too lazy to work.

While some mistakes do occur, 99.5 per cent of the people applying for assistance do not consider they are receiving welfare. They apply for assistance from the state because of conditions over which they have no control. Their situation has been created by society. The financial assistance provided to these people should be provided as a right, not as welfare.

I am opposed to a ceiling on the old age pension. I can see no reason for a $60 cut-off. It removes the incentive to earn more money. When the government needed more money in order to increase the old age pension, it raised the cut-off to $90. The cut-off is now $120. The cut-off should be removed. A millionaire receiving the old age pension should also pay toward it. It is within his ability to pay 4 per cent, although maybe it should be cut to 3 per cent.

I understand that there is $720 million in the old age pension fund at present. This amount is sufficient to increase this pension. When the old age pension was set at $40, everyone said that it could not be raised. The pension was raised and there is now more money in the fund than ever before. If the ceiling were removed, the pension could be increased to $100 or $150 a month without much difficulty.

The hon. member for Ottawa West (Mr. Francis) stated that he is opposed to the principle of universal payments in this field. The people who have said to me that they will not apply for assistance are not saying that they will not accept the old age pension for which they are eligible. What they are saying is that they will not accept the benefits of a pension to which they have not contributed and to which they do not have a right. Because they do not feel they are entitled to it, they consider it welfare and are therefore reluctant to accept it.

If a person receiving the guaranteed income supplement earns additional money, this additional amount is deducted almost dollar for dollar from the pension. There is no incentive for people to work. If one looks at this Parliament, the Senate and many industries in this country, he will see that many persons over the age of 65 are making a considerable contribution. Our tax structure is set up in such a way that any money they earn above the pittance they are allowed is subject to income tax. This structure is not satisfactory and should be modified in order to be more realistic and honest. People should be permitted to earn more than they are presently permitted to earn.

It is interesting to listen to governmental officials stating how much something is going to cost and why it cannot be done. We are told this every time we suggest an increase in the old age pension. The statistical geniuses of the government departments present all kinds of figures. It has been stated that the program to give a guaranteed income of $1,600 for a single person and $3,000 for a married couple would cost $3.8 billion. If the figures were $1,800 for a single person and $3,000 for a married couple, they state this would cost $5 billion. This is probably true, but it illustrates why figures are so misleading. That is not the cost to the treasury. If we made this kind of payment we would automatically get back a very large part of the expenditure. One of the major municipalities in my constituency is the town of Kirkland Lake. The council there is always lamenting that they have the largest welfare expenditure in the Province of Ontario, closely followed by several other northern communities.

• (12:20 p.m.)

But this welfare business is an industry in many of these communities. All the money that is put out goes back to the municipality, plus 40 per cent from the federal government and 40 per cent from the provincial government. It seems to me any money we provide by way of a guaranteed annual income for our citizens is money which will not be put in banks or hidden under the mattress; it will all be spent on necessities and it will quickly go back to its source as a form of revenue. Even in the area of income tax, if government statistics are right, 20 per cent of the money paid out to old age pensioners is returned to the government at the present time in the form of direct taxation and I suggest that indirectly, after four or five transactions have been made, all the money is returned to government coffers.

In my opinion there is no group of people in the country who deserve a greater degree of security than those who are in the old age category. These are the people who, much more so than my generation, made a contribution to establish this nation on the road to which it has been dedicated. They were hard-working people and in the main they earned their livelihood by the sweat of their brows. They made a contribution which I believe entitles them to the type of security in their old age which we have not been providing over the years. It is time we provided them with a form of income, whether a guaranteed income based on a negative income tax or some other arrangement that does not concern me at the moment, which is not a football in the political arena. There can be nothing much more degrading than to find politicians going around the country during every election talking to old age pensioners and saying "If you elect us we will give you $5 more", while others are telling them "Vote for us and we will make it $10." Old age

pensioners are then supposed to make up their minds on the basis of how much has been promised them. For some time it has seemed to me that this arrangement is unsatisfactory and that a much more satisfactory policy would be one by which pensions were paid, and increased, on a scale related to the gross national product.

Then again, any needs test is bound to discriminate against senior citizens who have been able to save some small amount for their old age as opposed to those who have not. Persons who have been able to save two or three thousand dollars find they have to spend this money before they can receive what someone else may have been paid initially as a right. The present arrangements do not allow for those who have spent all their lives, maybe, trying to save a few dollars for their retirement or for their old age. Anyone who bought government annuities is in a particularly bad position because these are directly related to income from other sources, and any kind of means test or needs test will affect the holder of these annuities severely.

Another problem is presented by the inability of the old age pension branch to establish a relationship with the social security number which most Canadians now carry. When we get in touch with the administration concerning an old age pension cheque we cannot trace that cheque through the social security number because we have not updated our system. The Canada Pension Plan and at least one provincial plan are all related to social security numbers, yet the old age pension plan is not. It seems to me we should update our programs so that old age pension cheques are made out on the basis of social security numbers, thus making it easier to trace lost cheques. It would also be easier to correlate the other data now available for complying with age qualifications than it is under the present system where old age pensioners carry numbers of their own and are not related to the social security system. There has certainly not been a poorer branch than this one, in my experience. In Toronto there is a branch under a provincial director. A request I made the other day was answered by someone on a telephone in that branch. I asked whether I could call him back. He said, no, call this number. I asked how many worked there, and he said 16. I do not know how many social security numbers and pension numbers they have, but I am sure I would not get much satisfaction just by phoning that telephone number to make an inquiry, and I had to relay the inquiry to a much higher level to get any kind of satisfaction. It seems to me this branch should relate its work to social security numbers and operate in a much more efficient manner than it does.

I will give one example. I have a letter which came to me in May, 1970. The writer informed me that his wife had made an application for an old age pension 18 months previously when she was told there was some difficulty about her age. I have written several letters and I have received several replies. I was informed by the Department of National Health and Welfare that a tribunal was to be set up to deal with this problem. I received a letter which informed me that this women, who made the application, had some difficulty in establishing the date of her birth. It was difficult to decide whether she was born in 1902 or 1904. I do not think it makes a damn bit of difference if she was born in 1902 or even 1905. She should be eligible for the old age pension. Because they have not been able to establish when she was born, as yet they have not paid her the old age pension. We are aware of the fact that retroactive payments can only be made for a period of one month.

• (12:30 p.m.)

The government would have a great advantage if it seriously considered programs of guaranteed annual income such as those in the United States. I am aware of the difficulties involved and I know there are differences of opinion as to whether our resources could support such a program. I am aware of the limitations in respect of income tax.

If the government provides a guaranteed income, payments will have to be made at least once every month. Perhaps they could be made more often. Some people will require a guaranteed income payment for a period of only six months per year. There is a wide range of needs and problems. If this matter were referred to a committee, I am sure these needs and problems could be related to a realistic welfare structure and there would be a resultant saving. I understand the province of Ontario has saved a great deal of money as a result of the establishment of the family and social services branch whose inspectors do the work associated with several plans. This work has been co-ordinated under the one department, and it supplies the information to various welfare agencies. This has resulted in a saving.

This idea could be adopted in the federal field. I have a friend who travels around the province conducting this type of investigation. We have discussed this matter of making information available. He made the point that the federal government sends people around to take the census, and the provincial government has people travelling throughout the province obtaining information as to jobs, income and other things at the same time. He suggested this was a duplication of effort. The suggestion was that it would be very easy for him to ask several more questions and obtain all the information which could be made available to various government agencies. My argument was that, while this might be possible, the result would be that many Canadian citizens would have to supply unlimited information and thereby be deprived of their privacy. Individuals in this country are entitled to a private life, even in relation to their income status.

There are several arguments in this regard, many of which have not been understood. I would be very surprised if agreement could not be obtained from many individuals to allow the state access to individual private financial arrangements. This would be particularly true if the government provided individuals with a financial cushion in time of need. Individuals are often in need because of sickness, unemployment or because they are

attending retraining courses. Whatever the reason may be, if an individual were assured that the state would provide for him I expect he would be willing to give the state access to his financial status.

We are aware of the fact that many well paid individuals evade income tax to some extent. We are all aware of the fact that a well known Canadian in the sports field, because of a technicality, was able to evade paying something in the neighbourhood of $200,000 to $300,000 in taxes. We are also aware of the fact that people in the lower income bracket cheat on tax payments. By correcting this situation, the government could afford to pay more to those people who need assistance.

I was speaking to a man the other day who had worked for many years, but as a result of an accident became disabled. He suggested the amount the Workmen's Compensation Board allowed him was not sufficient. He said he was not able to return to work. I looked at his injured arm and it looked as good as mine. The doctor does not know whether he is capable of working. The only person who knows that is the man. He knows whether he is cheating. I give this example to show that some people at the bottom of the income status cheat in so far as income tax is concerned. The government may also be guilty because it has established a system which encourages taxpayers to cheat.

Some hon. Members: Oh, oh.

Mr. Peters: My hon. friends say, "Oh, oh", but when it comes to working on the basis of—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but I must advise him that his time has expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: Does the House give unanimous consent to the hon. member to continue?

Some hon. Members: Agreed.

Mr. Peters: Mr. Speaker, I appreciate the courtesy of hon. members and I shall try to be brief. The point I wish to leave with government members is that this type of program is still a stop-gap program. It has disadvantages in so far as welfare is concerned. The concept of universality is not the answer to everything. This country is rich enough that it can afford to adopt a universal type of assistance for all Canadians who exist at or below the poverty level. When we are discussing the white paper on social assistance we should relate it to the assistance provided in the United States. The assistance provided in that country is much higher. We should adopt a similar program which would be applicable to all persons. In this way, all we would have to do would be to supervise the return on money, making sure it was above the level at which we established the guaranteed income. Then, it could apply to young and old, all Canadians.

• (12:40 p.m.)

When we really do some serious thinking, we may be surprised to find that the figures provided are very exaggerated and that in the long run our nation can provide people with a much better program. A nation which is not willing to modify its income tax structure, which provides the anomalies our income tax structure provides, is not being fair to the people who in many cases have to cheat. I do not believe the government really expects this will not happen.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, the new pension increases forecast in Bill C-202 will likely receive the approval of all members of the House of Commons, even if there is difference of opinion in respect of how and in what manner the details should be worked out. Yet, I would believe there are significant changes in direction in the government's handling of the problem of old age security. The thrust of this bill is away from the principle of universality when old age security is frozen at $80 to await action by some future Parliament and the 2 per cent cost of living automatic increases will be deleted and will apply only to the guaranteed income supplement. On the other hand, in the Unemployment Insurance white paper the government proposes to sweep into the net a million workers not now covered, such as teachers, hospital employees and so on, many of whom are highly skilled workers who are rarely if ever unemployed except by their own choosing. It is obvious in this case that the application of the principle of universality to those who must pay unemployment insurance will increase their number so that more money will be available to pay for those who are frequently unemployed. It is a form of guaranteed income and wealth sharing device by means of the instrument of universality.

I am most disappointed that the government has chosen to freeze the old age security pension at $80 and not allow any automatic increases of 2 per cent for the cost of living index rise after the taxpayers have contributed to this by means of 4 per cent on the income tax and 3 per cent on the sales and corporation taxes. In other words, it is a form of annuity insurance, even if it does not necessarily bear a return in relation to the input of the individual taxpayer. It was a right of every tax paying citizen and his spouse and dependents as they reached the age of taking the pension to have this money regardless of what his financial situation was. He has earned it by his deductions from his income and the paying of sales tax over the productive years.

As inflation increases and the real wealth of the country grows, more and more money will be collected from the individual taxpayer because of increased incomes, and because of the steady rise of the cost of goods bringing in more revenue in the sales tax, more money for old age security will be in the government's coffers. But the government intends to freeze the old age security pension at $80 and make much less valuable the income tax contributions the citizen will make or the sales tax he will contribute. So far as old age security is concerned, the government has abandoned the annuity principle on which it was originally based and substituted a flat payout that contradicts the annuity principle on which it was first founded. There is a large surplus of over $700 millon in this fund. In the interest of keeping faith with the taxpayers who have contributed to the

fund, I think this 2 per cent automatic escalation clause should have been retained. Indeed, it would have been much better to have retained the automatic escalation clause in the Old Age Security Act and have retained for Parliament the right to make changes in the guaranteed income supplement.

While I would recognize the great need of the guaranteed income supplement, this is still the chief vehicle by which the government is attempting to preserve a level standard of living among the elderly. It might well be that each year Parliament should debate what the level of this standard should be. In any case, with inflation rising at the rate of 5 per cent per year for the past several years, a 2 per cent limit on the rise in the guaranteed income supplement is well below what the cost of living increases are likely to be.

In Canada we are devoting much of our energies to the social services of our citizens. We have been able to do so in part because, sheltered by our mighty neighbour to the south, we have not had to expend our national energies in defence as have some other nations. We have been blessed with abundant natural resources, and with the development of modern technology in our cold climate we have reaped great benefits. In short, much of our good fortune in many ways has been the accident of living in our area of the world. Even so, a great deal of poverty or at least what we chose to define as poverty, exists in our country.

I should like to turn to the matter of the variation between the federal government and provincial programs, who is responsible for poverty and so on. I wish to read from an editorial which appeared in the Montreal *Gazette* for December 3 entitled "Not the final answer". One paragraph in this article reads as follows:

> As a beginning, the question ought to be settled of whether a general social philosophy is going to prevail throughout the nation or whether the provinces will be free to set their own social objectives and shape their programs accordingly. The constitution gives the provinces jurisdiction in the health and welfare fields, but the federal government has long been taking the initiative because of its spending power and its determination to ensure minimum national standards of social security.
>
> To those who are poor, it does not matter a bit whether help comes from the federal or the provincial government. It is, nevertheless, a real issue. Federal-provincial conflicts can impede effective reforms in the system.

At this point, Mr. Speaker, I should like to present an idea in respect of our viewpoint on the guaranteed income supplement. When the British North America Act was formulated over 100 years ago, the provinces were entrusted with health, welfare and education. Even now a joint constitution committee is studying ways and means of rewriting the constitution to alleviate the strains on our unity.

It is my contention, Mr. Speaker, that one of the great strains on our confederation is the strain on our provinces by the overwhelming demands of health, welfare and education. Many programs have been forced on the provinces before they were ready or had the financial means to carry them. Even in my province, the Minister of Education last week warned that education costs must be contained. Similarly, health and welfare are escalating at a rate that cannot continue for long without serious dislocation and disaster to our economy. We have had plenty of warning from responsible authorities. The most recent is the Economic Council of Canada warning that some slowdown in this expansion must occur.

So long as a program such as old age security, with a set amount of money for every receiving individual in any part of Canada, was functioning there was little economic strain on the provinces. Similarly the family allowances, with the set amount of dollars to each recipient whatever the residence of that individual, did not put so much strain on Dominion-Provincial relations.

• (12:50 p.m.)

But with the advent of shared-cost programs whereby the federal government, on the basis of need, attempted to set a standard of care, and whereby the provinces had to foot half of the bills, then difficulties arose. The provinces, under the stimulus to give an adequate service which was paid for in part by federal funds, were unable to set up adequate spending safeguards. These programs have not and are not likely to change in the immediate future, and there is no doubt more prudent programs would have been developed had the provinces been under more responsibility to do their own financing.

It seems to me that under our system of financing the provincial governments will have to allocate a system of priorities, especially in personal care services, for their citizens. I would think that the guaranteed income supplement could well be administered by the provinces, although I would admit that it is not as important for this to be administered by the provinces as it is for many of the other shared-cost programs.

I would think that the provinces could well be given unconditional grants, based on a federal formula, to take care of regional disparities. Such formulae are already in existence, and then the provinces could set their own priorities as to the needs of their citizens. There is no evidence that each provincial government would be any more unaware of the needs of its citizens than the federal government. As Canadians, we would have to trust in the good sense of the provincial governments.

Our slavish adherence to a dollar value of social benefit creates some injustice. There is some variation in the cost of living across the land, and even more in the variation from individual to individual within the same community.

The newer concept of welfare moving toward a so-called guaranteed income for all poses considerable problems, and will not in itself cure all our social ills or remove the considerable inequalities that will remain even if this could be set at a high level. The setting of a guaranteed income is only one other poverty base line from which we measure poverty.

The settling of a guaranteed income is beloved by administrators whose simple solution to all problems is the mere setting of an arbitrary figure of dollars. But this is of little value unless the dollar value of this guaran-

teed income is related to what it will buy in the market in food, shelter, and the other necessities of life. It is obvious that this will vary in different parts of Canada, and under many different circumstances in individual cases.

The idea of guaranteed income raises all sorts of questions yet unanswered. In what manner should the level of the guaranteed income be set? The Economic Council of Canada has been widely quoted with respect to its assessment of what the poverty level should be. I have not seen how that level was arrived at, but obviously it is only one person's or a few persons' opinion. Obviously, it will be open to all sorts of opinions and variations. Will it reduce production significantly and, if so, will the benefits received be an adequate compensation for the degree of loss of production should this occur? Will it cause the freezing of workers in areas or jobs, when they should move either their location or their occupation?

In the proposed guaranteed income supplement with the modest built-in incentive to earn more money, there will be an attempt to keep the older worker productive. As such it will be of some interest and value in the assessment of what effect a guaranteed income can have on our productivity as a whole. But it will only be indicative of a segment of our population who, at the end of their productive years will be induced to continue in work habits that they have been used to over the years. Experience here, I would emphasize, will be of little value in the experience rating of incentive poverty programs as a whole, mainly because of the age group to which it will be applicable. There are some other features of the guaranteed income supplement proposals with which I would be in general agreement, and will study them more fully in committee.

Mr. John Gilbert (Broadview): Mr. Speaker, I certainly wish that the Minister of National Health and Welfare (Mr. Munro) were here today so that he could hear the remarks of the different members, but I understand he is away on government business. The hon. member for Winnipeg North Centre (Mr. Knowles) says he is meeting the provinces. However, we have the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Isabelle) here, and I will direct my remarks to him with all the fire and brimstone of a Methodist preacher, so I am sure the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) will listen attentively.

I would have said to the minister that he has made a mistake with regard to the title of Bill C-202, which it is said is an act to amend the Old Age Security Act. I would suggest it is an act to redistribute old age poverty. I suggest the minister should make the appropriate change in the title because really the government is playing a game of charades with the Canadian people.

The minister is saying, "I am going to give you a Christmas turkey," when in fact he is really giving our senior citizens an old pigeon. It is not costing the government one penny to bring forth this bill, Mr. Speaker. Here we have a government that brings forth a white paper on income security for Canadians, and then takes a so-called bold first step with regard to implementing its recommendations. All Canadians should be told that Bill C-202 is not costing them one penny. What it really is doing is redistributing poverty amongst senior citizens.

I would think the Parliamentary Secretary would not be happy if he really knew the impact of this bill. Yesterday, in rather glowing terms, he said, "You know, this white paper on income security for Canadians is a masterpiece." I would say it is a masterpiece of deception. It is really a social fraud that is being committed on Canadians.

I notice that the hon. member for Algoma (Mr. Foster) is in his seat, Mr. Speaker. This morning he directed a question to the Minister of Finance (Mr. Benson) seeking to learn the intention of the government with regard to changing the income tax exemption for children in families earning over $10,000. The hon. member knows that the government was clever enough to put through amendments to the Income Tax Act recently, which will mean that families earning over $10,000 will not be able to claim $550 per child exemption as they were able to do if they did not get family allowance, and instead will only be able to claim $300. Mr. Speaker, I will be delighted to complete my remarks this afternoon.

Mr. Deputy Speaker: Order. It being one o'clock this House stands adjourned until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Gilbert: Mr. Speaker, prior to the luncheon recess I mentioned that I was sorry the Minister of National Health and Welfare was not present but apparently he is away on government business. However, he is ably represented by his Parliamentary Secretary.

Some hon. Members: Hear, hear!

Mr. Gilbert: I shall therefore direct my remarks to the hon. Parliamentary Secretary, and I am sure he will pass along my words of wisdom to the minister. I said, Mr. Speaker, that Bill C-202 should not be called an act to amend the Old Age Security Act but should have a new name; it should be called an act to redistribute old age poverty because that is exactly what it is. I maintain that the government is playing a charade with the Canadian public and in trying to play the part of Santa Claus, instead of giving turkey for Christmas it is giving crow.

The Parliamentary Secretary claimed yesterday that the white paper on income security for Canadians is a masterpiece. I contend that it is a masterpiece of deception, and that the government really is committing a social fraud on Canadians. Bill C-202 is the first step in an attempt to implement this masterpiece of deception on the Canadian public, Mr. Speaker.

I pointed out that the hon. member for Algoma (Mr. Foster) had picked up another point with regard to family allowances. In a rather clever way, the government amended the Income Tax Act with the result that people earning over $10,000 a year will not be entitled to family allowance nor, Mr. Speaker, will they be able to claim the $550 deduction previously available. This will now be reduced to $300. This move is the second stage of the government's masterpiece of deception.

• (2:10 p.m.)

The Parliamentary Secretary also mentioned yesterday that he had received many phone calls and letters from constituents in praise of the bill. In one of my question, I pointed out that he should consider replying to these people by informing them what will happen if the bill passes prior to Christmas. If the bill passes prior to Christmas, the people who are receiving the old age security pension, but who are not entitled to the guaranteed income supplement, will get a mere $80 as of January 1. Those who are entitled to the guaranteed income supplement will receive it as of April 1. On the other hand, if this bill does not pass, and I expect Liberal members will try to help their aged constituents, the automatic 2 per cent escalation provision will remain in effect and those people, instead of getting $80, will receive $81.17. I am sure that government supporters will want to delay the passage of this bill so that our older people can obtain slightly more money.

The hon. member for Winnipeg—

Mr. Knowles (Winnipeg North Centre): It is Winnipeg North Centre.

Mr. Gilbert: I meant to say the hon. member for Winnipeg North Centre, Mr. Speaker. He is our leading spokesman in this House on the matter of pensions.

Some hon. Members: Hear, hear.

Mr. Gilbert: The poor old minister had difficulty in understanding what the hon. member said the other day in his speech. Clearly, the poor old minister had difficulty in understanding what was obvious. The hon. member, in his opening remarks, said that not only will this measure redistribute old age poverty, but that it is a bad bill. He set out his reasons for that and I shall develop his reasons as I go along.

The Parliamentary Secretary said that this bill was a good bill and that he had received many compliments from his constituents. I think the minister and Liberal supporters ought to hear what other experts have to say about the bill and the white paper on income security. I wish to read an excerpt from the Toronto *Telegram* of Tuesday, December 1. The article deals with what Dr. Frei, the director of the Metro Social Planning Council of Toronto and others had to say about the matter. The article reads in part:

> Increases proposed for old age pensioners—minimums of $135 for single persons and $225 for couples—were 'less than our organization had asked the Government for, but a lot better than they have been getting.
>
> 'At least now pensioners shouldn't have to scrounge for food the way they have been.'
>
> Dr. Frei—the director of the Metro Social Planning Council said the pension increases proposed would mean that pensioners 'are now slowly approaching the position where they can at least exist.'

I thought the Parliamentary Secretary ought to know what the director of the Metro Social Planning Council of Toronto had to say about the subject. The article goes on to report what Miss Ethel Neilson, president of the Senior Women's Committee for Pension Increases had to say: The article reports that she:

> —did not lament the proposed dropping of cost-of-living increments to pension.
>
> 'The increases were so small they really didn't make much of a difference anyway.' she said.
>
> Although she said her group had been hoping for an increase to $150 a month for single pensioners, the proposed $135 would be a significant improvement.
>
> 'At least now people will have enough to buy adequate food.'
>
> She voiced a fear that was repeated by several of those commenting on the proposals—that landlords would nullify proposed benefits by increasing pensioners' rents.
>
> 'I would like to see them freeze rents for old age pensioners', Miss Neilson said.
>
> According to David Maben, head of St. Christopher House, which is in constant touch with pensioners in the city's depressed west end, increases in rent take place whenever pensions are raised.
>
> Miss Neilson added that even with the proposed increases, pensioners would not be able to afford to buy new clothes. And the lodging they would be able to afford would still consist of shabby one-room flats with shared kitchen and bathroom facilities.

I think the Parliamentary Secretary ought to be acutely aware of the comments of people such as these. I hope, after the bill has been referred to the Committee on Health, Welfare and Social Affairs for study, that the committee will travel across Canada, meet in the different highly populated centres, and hear representations of bodies such as the Social Planning Council, various welfare organizations, and so on, in order to gain an inside view of the difficulties of those old age pensioners with whom such organizations must deal. The committee ought to travel across Canada and listen to the views of pensioners. Not only that it should, as a group, go into the homes of pensioners, into the shabby flats that Miss Neilsen mentioned, and see how they live every day. They should see what food they buy, partake of a meal with the pensioners and see what sort of clothing pensioners can afford. That ought to be done before the legislation passes. That is the type of study we need in connection with this particular bill.

Mr. Ryan: Tell the committee to bring their lunch and not partake of a poor pensioner's meal.

Mr. Gilbert: I hope the Parliamentary Secretary will take notice of this advice, and I hope the committee will travel across Canada to hear the views of those different organizations that deal with our senior citizens.

You know, Mr. Speaker, it is about time we took pensions out of politics. I recall that in 1957, after the Liberal government of the day attempted to increase pensions by $6, from $40 to $46, it was defeated. The Conservative government was elected in 1957. As I say, they won the election and the Liberals were referred to as the "six buck boys" On assuming power, the right hon. member for Prince Albert (Mr. Diefenbaker), immediately increased the old age pension to $55. This was welcome news for the senior citizens. Since then, the pension has been increased by amounts of $10, and now it is at the level of $75 plus the 2 per cent cost of living provision. As a result of the legislation we are now considering, Liberal members will not any longer be called the "six buck boys"; they will be called the "ten cent boys". Let me tell you why, Mr. Speaker.

As of January 1, our old age pensioners will be receiving $80. That is an increase of 42 cents over the present pension of $79.58. That 42 cents a month works out to approximately ten cents a week. For that reason, instead of being tagged as the six dollar boys, the Liberals will be tagged as the "ten cent boys".

Mr. Stanfield: The pensioners will get less than ten cents a week.

Mr. Gilbert: As the Leader of the Opposition (Mr. Stanfield) says, our pensioners will get less than ten cents a week. That is a fine Christmas gift for our government to give our pensioners. I am sure that hon. members will be proud to tell the senior citizens of their ridings that they are to get an increase of less than ten cents a week.

Mr. Ryan: Brother, can you spare a dime?

Mr. Gilbert: Nor is that all. Beginning on January 1, many of our pensioners will be denied the benefit of the 2 per cent escalation clause. Can you imagine that! If this bill does not pass during the present session, some of our pensioners will get $81.17. If it should pass, they will get only $80. In addition, they will be denied the benefit of the 2 per cent increase that is designed to take care, in part, of increases in the cost of living. Is this something that Liberal members ought to be proud of when they return to their constituencies and face the senior citizens of their ridings?

Mr. Ryan: No, certainly not.

Mr. Gilbert: I am not proud of this bill, and I would not wish to be part and parcel of this type of legal chicanery that is being imposed on Canadians at this time.

Not long ago the Minister of Finance, in one of his ebullient remarks, said that a single person could live on $30 a week. The hon. member for Winnipeg North Centre took him up on this and proposed a motion for testing the Minister of Finance. The motion asked the minister to live on $30 a week for a few months, and then report to the House his experience. The minister did not accept that challenge. This morning the hon. member for Regina East (Mr. Burton) invited the Minister of Finance to attempt to live on approximately $39 a week. This is the amount the average unemployed person receives in unemployment insurance benefits. The Minister of Finance did not accept the challenge. Is it any wonder?

• (2:20 p.m.)

The Senate Committee on Poverty, and other committees, found that it cost $1,800 for a single person to exist in Canada in the year 1968. The figure for 1970 is $1,944. In 1968, the amount a married couple needed to exist in Canada was $3,000. The figure for 1970 is $3,240. A single person receiving the basic pension of $80 and the income supplement of $53 a month receives $1,620 per year. This is far below the poverty line set by the Senate Committee on Poverty. The amount required by a married couple in 1970 is $3,240. Under the proposed legislation they will be receiving $255 a month or $3,020 a year. This is the type of legislation the government has introduced.

As the hon. member for Timiskaming (Mr. Peters) stated this morning, these people will not only be living below the poverty line, but they will be taxed as well. A single person will be taxed on any moneys he receives over $1,100. In other words, a single person who receives $1,620 will be taxed on $525 at a rate of 15 per cent. This amounts to $75. With a deduction from the pension of $75, a person will be living far below the poverty line. The same situation applies to married couples. There was no magnanimity on the part of the Minister of Finance with regard to removing these people from under the income tax umbrella. Is it any wonder the hon. member for Winnipeg North Centre has called this a bad bill?

We must not lose sight of the fact that it was Mr. J. S. Woodsworth who forced the government to introduce pensions. When they were first introduced, they were in the amount of a miserable $20 a month. In addition, a means test was required. Since that time there has been a steady progression with regard to increases and changes in principle.

In 1951 a very important principle was implemented, the principle of universality. From 1951 to 1966 all Canadians, regardless of their income, received the basic pension. In 1966, the guaranteed income supplement was introduced. Attached to that guaranteed income supplement was an escalation clause which provided that if the cost of living increased more than 2 per cent in any one year, the old age pension would be increased by 2 per cent. Experience has shown that in Canada the cost of living has increased substantially more than 2 per cent per year since that time. Old age pensioners have not only received the basic $75, but the 2 per cent escalation.

We have developed two principles. One, the principle of universality and, two, the principle of the escalation clause related to the cost of living. What are we doing in this legislation? We are casting aside the principle with regard to universality and limiting the principle related to escalation. Hon. members should realize that experi-

ence in European countries indicates that they moved first with regard to the principle of universality, then to the principle of selectivity and back to the principle of universality. I think the reason is obvious. I think it will become more obvious to Canadians if this legislation is adopted. Selectivity creates a tremendous divisiveness between members of the community. Some senior citizens will be receiving $80 a month, some will be receiving $135 a month and some married couples receiving $255 a month. Instead of applying the principle of universality, the principle of selectivity is being applied. Experience in different countries has shown that the divisiveness created between members of the community cannot be tolerated. These are the reasons that we say this is a bad bill.

A few years ago the Liberal government adopted the famous phrase "war on poverty". They have not yet fired a single shot. They have not yet even coped with the battle. In fact, they have copped out. They have not even attempted to get on to the battle ground in order to fight. At one time poverty was considered in the sense of absolute, total deprivation. Today, it not only means a lack of income, but a lack of opportunities for good health, education, meaningful employment and recreational facilities, the things that develop self respect, a sense of worth and integrity which should be regarded as normal in the community.

I can do no better, Mr. Speaker, than to quote from the Fifth Annual Review of the Economic Council of Canada with regard to the approach to poverty in this country:

> We believe that serious poverty should be eliminated in Canada, and that this should be designated as a major national goal. We believe this for two reasons. The first is that one of the wealthiest societies in world history, if it also aspires to be a Just Society, cannot avoid setting itself such a goal. Secondly, poverty is costly.
>
> It also said that poverty in Canada is real, that the numbers affected are not in the thousands but the millions, and that there is more of it than our society can tolerate or our economy afford.
>
> And the council defined a poverty line, in money terms. This summer, Senator David Croll, the chairman of the Senate Committee on Poverty, took the council's figures, made the adjustment for an 8 per cent increase in the cost-of-living since, and came up with the following:
>
> Poverty, for one person, began in 1968 at $1,800; in 1970, this was $1,944. Two persons, $3,000; now $3,240. Three, $3,600; now $3,888. Four, $4,200; now $4,536. And, he said, the point below which poverty begins rises thereafter by $600 for each child.

If, as the government wants, we are to have a just society, surely this should be one of our national goals. Bill C-202 is not the proper approach. When we talk about poverty, we should talk about the over-all situation. We should not merely talk about income for senior citizens, but decent housing, medical and recreational services for these people. With regard to decent housing for senior citizens, we have barely scratched the surface. There is one senior citizens project in my constituency. Names must be placed on a waiting list and the waiting time varies between four and five years. Is it any wonder that I say this proposal merely scratches the surface?

• (2:30 p.m.)

As to medical services, when these people require hospital treatment they get it, but after treatment they are often obliged to move to a convalescent home and most of our hospitalization schemes do not cover the costs of these homes. So, whatever money they have saved is quickly depleted by the cost of nursing services. Surely, when we are dealing with senior citizens we should concern ourselves not only with income at these levels but with housing and medical services, the total picture.

My hon. friend from Winnipeg North Centre, in his eloquent speech on Wednesday, set forth his reasons for calling the government's proposals a "redistribution of old age poverty". Some hon. members who are in the chamber today were not present on that occasion and I think I should attempt again to impress upon the government just what he meant. As of January 1, a single person will receive $1,620 a year and a couple will receive $3,060. At the present time a single person receives $111.41, and under the new provision will receive $135.70, a net increase of $23.59 subject to income tax. This is, if he is entitled to the full income supplement. A couple now receives $222.82 and under the new provision they will receive $255; the difference is $32.28, or $16.09 each. This is the so-called gift the government is making—a difference of $23.59 to a pensioner who is entitled to a full guaranteed income supplement and $16.09 to a married person and also to his wife.

All we are doing is shifting poverty around, and my friend was perfectly right in his assertion. The figures show that 60 per cent of those receiving old age pensions will be receiving some form of guaranteed income supplement and that the other 40 per cent is made up of people who are receiving only $80. Ten per cent of these are in the wealthy class, probably like some of the members of the Liberal party who have additional incomes.

Mr. Anderson: Speak for yourself; you are a lawyer in Broadview.

Mr. Otto: A rich lawyer from Broadview.

Mr. Gilbert: The other 30 per cent are people whose incomes range from $2,200 to $4,500—$2,200 for single persons and $4,500 for married people. Would you say, Mr. Speaker, that these are rich persons in Canada today? I would not think so. These incomes place them almost below the poverty line. Yet, these are the men and women who would be denied the benefit of the 2 per cent escalation provision and be given an increase amounting to less than 10 cents a week. We are certainly fortunate to have among us experts on pensions, such as my hon. friend from Winnipeg North Centre, who can point out to us that the people who will suffer, 30 per cent, or 510,000 of the 1,700,000 drawing pensions, are people receiving total incomes of between $2,200 and $4,500. Is this being fair to our senior citizens?

I have a few minutes left to me, and I should like to direct my attention to the idea of a guaranteed annual

income. Yesterday the hon. member for Ottawa West (Mr. Francis) spoke forcibly and eloquently on this subject. In substance, he said we could not afford it. My hon. friend from Winnipeg North Centre reminded him that this has been the story of every Liberal government in the past when increases in pensions were proposed.

Mr. Francis: On a question of privilege, Mr. Speaker. The hon. member has referred to my remarks yesterday and I believe he is obliged to quote them correctly. The context of my remarks was not the guaranteed annual income proposal but the universal payment of $150 a month to pensioners proposed by his friend from Winnipeg North Centre.

The Acting Speaker (Mr. Laniel): I must bring it to the attention of the hon. member that his question of privilege is merely a point of debate. If we were to allow questions of privilege with regard to the interpretation of speeches by hon. members, it would prevent us from progressing in the debate.

Mr. Francis: With the greatest respect, the hon. member is misquoting me. That is not a question of debate; it is a fact which can readily be verified by reference to *Hansard.*

Mr. Gilbert: If I misquoted the hon. member for Ottawa West, I will rephrase what I said. He may be right with reference to his remark concerning the demogrant of $150 in accordance with the universality principle. He said it would cost too much. My hon. friend from Winnipeg North Centre reminded the hon. member for Ottawa-West that this was the story which has been told time and time again with regard to any proposal for increasing old age pensions.

Mr. Francis: But it was not a guaranteed income I referred to.

Mr. Gilbert: Hon. members will recall when another Liberal government was defeated in 1957 in connection with its proposal to increase the old age pension by $6—they were called the "six buck boys". Perhaps they will now be known as the 10 cents a week boys, or the 42 cents a month boys. I thought there was at least something they could learn. When we establish the principle of universality, and make looking after our senior citizens a national goal, surely we can find the money to take care of them.

We in the New Democratic Party say there should be a demogrant of $150 a month. My hon. friend from Winnipeg North Centre says that if this is not considered possible we should take a first step by making it $100 a month for each person with a $50 supplement. The hon. member wrinkles his nose like a ravished virgin and asks: Where does the money come from? He cannot come up with the answer. It is unfortunate. We are in favour of the demogrant because it affirms the principle of universality, because it minimizes the division within the community and gives to Canadians a sense of dignity, a sense of worth and a sense of accomplishment.

A few months ago a debate took place on the subject of a guaranteed annual income and the hon. member for Oshawa-Whitby (Mr. Broadbent) set forth our beliefs. He told the House that two myths had arisen with regard to this proposal. The first was that any such scheme would be abused. I am not going to take the time to quote the experts, but these studies have shown that less than 5 per cent of the people in receipt of welfare abuse that privilege. Therefore, the myth of abuse is exploded.

• (2:40 p.m.)

Second, we have the myth that if you give people money, they have no incentive to work. In this regard we are fortunate that a welfare experiment was carried out in New Jersey, because that experiment revealed that people who do receive money of a welfare nature do not lose their incentive to work. The hon. member for Lanark-Renfrew-Carleton (Mr. McBride) is a United Church minister, one who I am sure would want to translate the mind and the spirit of the Christian doctrine into lay action. He has agreed that the experiment conducted in New Jersey was one which had exploded the myth regarding abuse and regarding removing incentive to work. I would expect him to rise in his place and speak with the eloquence of a Cicero and the strength of a Billy Graham and let the Canadian people know that it is about time we maintained the principle of universality; that the principle of selectivity will create a divisiveness that is not worthy of Canadians. I am waiting for his speech and hoping that he will oppose this niggardly approach to the senior citizens of Canada.

In closing, may I say I hope that the Parliamentary Secretary will have the strength and courage, when the bill is referred to the committee, to travel across the country to hear the representations of different groups and will reconsider this poor principle of selectivity as well as the restriction on escalation. I trust he will rise and speak against it, indeed that we will all speak against it. I hope the government will bring forth a bill that will not only provide for $150 a month but an escalation provision that will keep pace with the cost of living. This will be our goal, and we shall strive hard to achieve this end.

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

The Acting Speaker (Mr. Laniel): Is the hon. member for Esquimalt-Saanich rising for the purpose of asking a question?

Mr. Anderson: Yes, Mr. Speaker. If the hon. member for Broadview would permit me I would like to ask him a question with regard to the motion that was refused earlier this day requiring the President of the Treasury Board to live on $58 a week for one year.

Mr. Knowles (Winnipeg North Centre): You mean the Minister of Finance.

Mr. Anderson: My apologies, I should have said the Minister of Finance (Mr. Benson). If the hon. member is putting this forward, as did his colleague for Regina East today, in a serious way, I hope both he and the hon. member for Regina East, not forgetting their wealthy colleague from York South, have taken steps to do this very thing. Otherwise, it appears to me that once more the members of the New Democratic Party are saying: "Don't do what we do, do what we say", which is the double standard and the double talk that we so often hear from the members of that party.

The Acting Speaker (Mr. Laniel): Order. The hon. member for Broadview.

Mr. Barnett: Mr. Speaker, on a point of order, as Your Honour so often says, I am wondering just when the hon. member is going to get to his question.

The Acting Speaker (Mr. Laniel): Order, please. I have recognized the hon. member for Broadview for the purpose of answering a question. Is the hon. member for Comox-Alberni rising for the purpose of speaking in this debate?

Mr. Gilbert: Mr. Speaker, I heard the hon. member's question. I am happy to see so many members in the House this afternoon, since attendance on Friday afternoons is usually pretty thin. When we proposed to the Minister of Finance that he live on $39.60 a week, which is the average unemployment insurance benefit a person would receive, we were challenging the Minister of Finance to do just that. One thing I like about the type of government we have is that there is a front bench on which sit men who are attempting to lead the country. If these men do not accept that challenge, then it does not give us very much strength to proceed. What we need is acceptance of such a challenge, in the same way as yesterday they accepted the challenge to withdraw the Auditor General bill.

I am sure that the hon. member for Eskimo, or rather Esquimalt—it sounds to me so much like an ice cream sandwich I have difficulty remembering his constituency.

Mr. Dinsdale: "Boloney sandwich".

Mr. Gilbert: The hon. member for Esquimalt-Saanich is a single man, one who has not had the responsibility of marriage or children. Nevertheless, he could be representative of single people in Canada, and if he could live on $39 a week and accepts the challenge, I too will accept the same challenge and live on $39 a week, plus an allowance for a married man and for children. Then, we will have a real battle.

Mr. Anderson: Mr. Speaker, in view of the hon. member's failure to answer my question, I think a supplementary question is in order.

The Acting Speaker (Mr. Laniel): Order. I regret I must advise the hon. member for Broadview that his time has expired, and it is not in order to accept a further question unless he has unanimous consent of the House.

Mr. Knowles (Winnipeg North Centre): Let us hear the supplementary question.

The Acting Speaker (Mr. Laniel): The hon. member for Lanark-Renfrew-Carleton.

Mr. Murray McBride (Lanark-Renfrew-Carleton): Mr. Speaker, I shall take but a few minutes to comment on item 44 standing on the Order Paper in the name of the Minister of National Health and Welfare (Mr. Munro). I think the speeches so far in this debate from both sides of the House have pinpointed most of the issues. I want to add my few words and say it seems to me that, although this bill is essentially a limited one which seeks merely to amend the Old Age Security Act, what we have before us is but one approach in a broad spectrum of approaches to attempt to eliminate and reduce poverty in Canada.

Poverty will be attacked through various mechanisms, such as family allowance, old age security, the guaranteed income supplement, the Canada Pension Plan, the Canada Assistance Act and other measures. I shall not go into any of those in detail; this can, and I hope will, be done in committee.

It is my opinion that a guaranteed income in Canada in this technological age that we have entered, and in which we are destined to live for some time, is inevitable. Sooner or later we will have to have a total, integrated plan for a guaranteed income that is applied across the board. What we have at the present time, if I may be permitted to describe it in the broadest sense, is just that, a guaranteed income. If you consider the programs to which I have just referred, plus the additional programs administered by the municipalities and provinces with the aid of federal financial assistance, there is no way a person, regardless of age can live below a certain economic standard. The problem is that that standard varies depending on a person's age.

For example, a man who is 64 is not eligible for certain benefits which he will receive only when he reaches the age of 65. The question is really a philosophical one. No member of this House would want to see a citizen of Canada forced to live below a certain level; but the issue boils down to one of finance. Can we afford to give people a certain income? Can we afford to establish a higher guaranteed income in Canada? If we can we must then ask ourselves how much it will cost. I suppose some hon. members might quite logically ask whether we can afford not to provide it. It seems to me there are good arguments on both sides.

• (2:50 p.m.)

If I can deal with those arguments for a moment, I should like to say that the hon. member for Broadview (Mr. Gilbert) quoted accurately from what I said as recorded in *Hansard* for April 6, that the research done

in New Jersey and also in Calgary, Alberta, confirm the fact that, contrary to what most Canadians continue to believe and which our culture tends to support, aid to people in the low income bracket does not take away or diminish initiative.

I think if we are going to talk about this we have to recognize that our culture, as it is today, still has a kind of hangover or legacy from the day when it was accepted that it was good to work and bad to be unemployed or shiftless and not to work. Therefore people, even if they wanted to work but could not find employment and were forced to go on any welfare scheme, because of the nuances of our culture, were prodded very quickly to go to work again. This is not a personal opinion. I can substantiate that statement very thoroughly by the excellent study done by the University of Wisconsin through an organization known as Mathematica Incorporated of Princeton, New Jersey. It can also be substantiated by the work done in Paterson, Passaic and Trenton as well as a number of other places including Princeton, New Jersey. These studies revealed that when people were given more assistance they helped themselves and moved away on their own initiative from the poverty line.

It might be worth while to read their conclusions. The data suggests there is no evidence that work effort declined among those receiving income support payments. On the contrary, there is an indication that the work effort of those receiving payments increased relative to the work effort of those not receiving payments. The study goes on to state that a number of in-depth interviews of participants in the project were conducted in order to determine the attitudes of individuals toward work. These interviews clearly indicated that low income people are strongly motivated toward work. The majority of those interviewed indicated that they aspired for better jobs and were willing to move to another city or take training even if it meant a pay cut, on a short term basis, in order to get the jobs. The majority also indicated that they were willing to work at two jobs in order to support their families.

Research in England has also shown that high tax rates on those of high income, and this is putting a lie to another widely held opinion in our culture, does not lower the incentive to work. It seems to me if you combine that with the Calgary research, which indicates that about 95 per cent of those who receive assistance did merit it, a fairly substantial case can be put forward for saying that assistance does not diminish the work effort of people.

However, there is one question still unanswered toward which we have not directed our attention, and that is: What would happen in a culture where everybody thought it was a respectable thing not to work and pay your own way? This is really an unanswered question, but this is an area which leaves me with some doubt. The work incentive was the subject of the New Jersey and the Calgary research and other projects, but did these projects produce the results they did produce because those, studied were a microcosmic group within a total culture that still continues to be work-oriented? I suspect they did.

We cannot simply assume, since in a work-oriented culture most of the people are providing themselves for their advanced years and putting some money aside, that if we help some who are, shall we say, honestly poor through no fault of their own and they take the aid they receive and use it to better themselves because they want to be like the majority that the same would happen in a new culture. We have to ask a more profound question. You see, this would be a turnabout, a different issue altogether. What happens when the majority is in the position of being the recipients of guaranteed incomes and it is only the minority who are the producers, the workers or self-motivators? What would be the cultural pressures at work then? Would research like that in New Jersey produce the same results?

I think that the principle this bill suggests is a good one because it says that we in society have an obligation to help those who are indeed poor and who cannot help themselves. But we also have an obligation to continually encourage people to help themselves. It is one thing to help someone who cannot help himself, but it seems to me it is another thing to take any steps which would prevent a person, who could very well help himself, from doing so. In spite of the problems inherent within the selectivity scheme, and in spite of the fact that there will be times when people will be dishonest, as the hon. member for Timiskaming (Mr. Peters) pointed out this morning, and in spite of the fact we are going to have this divisiveness mentioned by the previous speaker, namely that it will be possible to have two persons receiving old age pensions, one, of whom will be receiving a lot of supplement and the other receiving hardly any, I do not see any better way now available to us in Canada to help those who genuinely need to be helped short of a guaranteed income across the board.

If we provide a guaranteed income across the board we must again ask how high we are prepared to go? If we put it too high, we are going to be in the position of literally changing our culture. I am not afraid of turning the culture around. It might well be that the time has come, again in a modern age, when we ought to turn the culture around and look at it from the other side. But before we do turn it around so that we conclude that to look after one's self is no longer the ideal, let us remember that in Canada at this moment there are many hundreds of thousands of citizens, whom we all here represent, who feel very strongly that there ought to be more of us stand in this chamber and say: Look, Mr. Citizen, you also have a responsibility for yourself.

And that too is important. As an hon. member has mentioned, I am in my third profession, but one of them is being a clergyman. When I went to my first parish in northern Ontario, before I lived in the residence for two hours I had 20 transients at my door. So, you have to do a lot of thinking about whom you do or do not help, who is in need and who is not. Then, you begin to take seriously how you help people who are transients off a rail line. You have to ask yourself a more searching question.

I used to say this to the men who would come to my door: Do you really think I should help you to keep doing

what you are doing? In other words, I had to choose to terminate their existence as bums or help them continue living as bums. It is the same thing for the government of Canada in respect of poverty in Canada. No matter what you do it is the wrong thing. If you say no, you are always left with the haunting feeling that perhaps this was the one of two or maybe the one out of four—take your fractions any way you wish—who was the honest man who was down on his luck and whom you should have helped. We must help the poor. But we must not help or encourage the poor to live as they do. In any individual case you must ask whether this is the honest type of man who is down on his luck and who should be helped. On the other hand, perhaps it is the type of person who would, as so many do—and I am giving an extreme example here—take the aid you would give him or them, as in an example I remember, and cast it aside. I recall once being rather taken in by a fellow, in retrospect. I obtained a good pair of boots for him and was disturbed to find that he had thrown them over the fence into the yard of the next door neighbour. If you help a person who is honest and genuinely poor, no sooner than you do someone else comes along who will spoil the situation.

• (3:00 p.m.)

If we can retain a culture in North America in which it is good to work, then we should have no fear of having all the income security plans we wish and all the guaranteed income we can provide because people will reluctantly live in that manner. But we must always be looking further and further ahead and asking ourselves whether we possess a culture in which the day will come when the majority will be among those who are willing to take what is handed out, ride free on someone else's ticket without qualm and the social pressures to work which surrounded the people studied in New Jersey.

Recognizing the monetary limitations we have to accept within our nation, recognizing the desperate need to do something about the genuinely honest poor, and recognizing—as many members have pointed out—the fact that when you come to the breakoff line of any program that is attached to a selectivity or means test type of approach there will be a large area in which there will be discrimination between honest and responsible people and some dishonest people who will take advantage of the program, the step we have taken is really the only one open to us.

We must remember that we must inevitably move in the direction of a guaranteed annual income, adding the caveat that as we do that I hope some organization or institution in Canada will begin massive research into this question: When the general attitude prevails that people ought to provide for themselves, one can receive aid and at the same time have a greater incentive to help oneself. But if the whole culture was no longer work-oriented, could we expect these same benefits to accrue from the same program? This is a fundamental question of urgency now. With those remarks I would hope this bill could be referred to the committee as rapidly as possible, where it can be dealt with in detail.

[Mr. McBride.]

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I begin my few remarks with an expression of thankfulness in respect of this bill. Long ago I was taught to be thankful for small mercies. By Zeus, this is a small one! I notice the Ciceronian member who preceded me ended in the growing tradition that once an individual expresses himself, he then suggests the matter move on quickly to the committee. Surely he will allow me a benediction after his sermon.

I enjoyed the hon. member's remarks both this afternoon and when he made them earlier in another debate. I appreciate the fact that he is sticking by his convictions. I was a little surprised when my hon. Presbyterian friend from Broadview (Mr. Gilbert) said this morning he was going to act like a Methodist preacher. I thought that was carrying the ecumenical movement a bit too far! I also enjoyed his remarks. I think a matter of this kind requires that we look a little deeper than usual and that we do not fear being profound on these matters which are in large measure a general appraisal of some pretty fundamental things in our society.

I mentioned the small mercies and I do confess, as did the leader of our party the other day, to a feeling of intellectual deflation—an unusual word at this time—concerning the presentation of this measure and, indeed, the white paper by the minister. It seems that in recent years the political life of this country has been characterized by a deliberate process of inflating the expectations of the Canadian people. It seems to me there is always an immense governmental and administrative labouring, followed by an overdue birth of some legislative mice or, to use the jargon of the day, some dwarf demogrants.

So often we are presented with white paper upon white paper and have a study following a series of preceding studies, and always there is dripping from this process the expectations of tremendous things to come for the Canadian people. I suppose that is part of the charismatic age. Charisma was a concept once known to political scientists and theologians; now it is a handmark of the practising politician in some sectors and in some countries. Very careful use of slogans is adduced to bring forth a response of great expectation. One of the great elections of this country was characterized by a couple of slogans. One was the just society, and another was the appeal to preserve national unity. I read now that even the slogan "the just society" has been discarded. I feel that if the slogan is gone, then it is all gone.

Mr. Dinsdale: That is all there ever was.

Mr. Macquarrie: In this debate I cannot talk about national unity but I do think an awful lot about what has happened to it. This should not surprise me, because even Dickens' "Great Expectations" had a sad tone. We never seem to end this process. I was wondering where the man now in charge of the Post Office was. I am not referring to the incumbent Postmaster General, who is present, but rather the other one. I discovered he is in Britain and that we are studying, through the minister, something we have studied in the last few years through all sorts of research. I refer to the questions of the zip code and the

transfer to a Crown corporation. How much studying do we need?

Today hon. members have discussed, and could not help but discuss in respect of a bill of this kind, the question of poverty. We have had wars on poverty, committees on poverty, studies on poverty and hearings on poverty. We are investigating it, we are fighting it, we are trying to measure it, and the poverty line seems to be moving. There are differences of opinion concerning who is poor, but there is a profound feeling that there are far too many poor people today. If I heard the Minister of Finance (Mr. Benson) correctly last night, 10 per cent of the people are in the rich category and the rich category starts at $10,000 a year. So the poverty line is a mighty big net which draws in a great many Canadians. Whatever the statistical precision of this day on the poverty line's location, there are far too many people below it.

• (3:10 p.m.)

It is a terrible thing that this country that we talk about as proud, as glorious and as free, this country that Laurier said would have the twentieth century in its hands, should be a country in which there is so much unemployment, so much poverty, so much drag upon economic growth and so much dissatisfaction from people who look to the state for a return for their efforts on behalf of the state.

On this quiet, thoughtful, friendly afternoon it is not my intention to say everything I would like to say, or indeed to take all my time. I would like to be generous and give a few minutes to the other fellows. But I am troubled by many things in this measure—not just the amount. I think a lot about this whole question of the means test, if that is not too archaic a word. I am just old enough, at 51, to remember some of the pitiful, painful degradation through which Canadians passed as, in an earlier day, they tried to qualify for the mere pittance of old age pensions, as they were then called, which were doled out by penurious and callous governments of all sorts.

The hon. member for Timiskaming (Mr. Peters) spoke about people cheating. I am too gentle a man to use that word, but certainly people did present themselves in lights which were probably not quite accurate, and many people turned over property to others. They thought it was a gesture, so that they could prove to the state that they were impoverished. And the poor devils discovered the only reality perhaps in the whole wretched business was the divesting by themselves of their little bit of property. So, Mr. Speaker, I have a built-in concern about the means test. I think it is an iniquitous thing which has blighted people. It made people do things before the emanations of the state that citizens should not be called upon to do.

Perhaps we have reached an age of sophistication where just because we have changed the name—we do not use means test any more; we talk about negative income tax and the needs test—we have reached the stage where we can obviate the necessity for these degrading procedures. But I am not yet convinced of that. I wish I were, because I know that the people in the elder group in our society today are having a very, very hard time. In earlier civilizations, to be old was to be honoured, perhaps to be revered, and the expression "the elders among us" was an accolade. Now the older citizen is apt to be thrust aside because we live in an age where one has to be new, modern, or young, or pretend to be one of those. Perhaps the virtues and values which a long life gives are improperly regarded and insufficiently valued. And so, to the economic problems of the old comes the social problem, and at times indeed perhaps it is a spiritual problem.

I am troubled and others have mentioned this—that those in the old age pension sector are regarded as pawns in political infighting. That was certainly the case, Mr. Speaker, and there is a little of that yet. But I think there is less of it because of the government which was led by the right hon. member for Prince Albert (Mr. Diefenbaker).

There was a very clever sort of campaign for years that unless you were a supporter of the party of Mackenzie King, you were somehow likely to be opposed not only to old people but to welfare generally. I can well recall campaigning in 1956 for the election of 1957—I knew I needed a head start—and a dear old lady saying to my colleague, now the hon. member for Malpeque (Mr. MacLean), and to myself—there was nothing senile about the lady, but she was very concerned—"They tell me that if you people get in we will lose our pensions." I thought how base, how terrible for someone to try to indoctrinate that poor soul with the evil consequences of a Conservative victory.

That is why I have always been proud of the fact that the right hon. gentleman from Prince Albert laid at rest those Kingsian suggestions and post-Kingsian suggestions that the party of Macdonald and the party of Borden had any lack of concern for the social welfare of Canadians, old and young. So I think it is less an issue today than it was, and I think that that is an improvement.

Thoughtful students of gerontocracy and the care of the aged are concerned today that our society is not doing enough to find useful activity for older people. I do not want to quote New Jersey, Princeton, or even Calgary, but careful, thoughtful studies in this area reveal a tremendous area of useful activity for people who, according to our public service regulations and according to the personnel requirements of the private sector, are too old, are on the shelf. It is well known that useful, creative activity is of tremendous value in enriching the life, physical and spiritual, of older people and indeed perhaps in prolonging it; and the prolongation of useful life is surely a cherished goal of our society.

But if we have a system whereby the useful activity and the creativity of the elderly person puts him in the situation where his earnings are diminished, then you are back to where you started when the means test was abolished, because the big argument for the abolition of the means test was that it discouraged savings, the frugal habits of life. Now, again, when I use those expressions I show myself as someone who is very old or who reads

history because now, of course, we must talk about incentives. This is one aspect that troubles me. I do not think we should make it more difficult for people to be active and, indeed, to be gainfully active.

Another observation that I must make in connection with the white paper and the general approach which is put forward—I do not pretend to disagree with everything in the white paper; it would be both narrowminded and dishonest if I said that—is that I think there must be greater sensitivity on the part of government as a whole and all emanations of it. The thing that troubles me very much is the way in which senior citizens are put to great discomfort. I know many, many people who receive war veterans allowance. Then they reach a stage where they come up against the guaranteed annual supplement, and there are months when they are cut down in their payments and they do not know why; they cannot understand what bureaucracy, what the government, the state, is doing.

I find great areas of insensitivity. For instance, one I have been troubled about for a long time—and I am meeting insensitivity myself as I take it up with government—concerns a person who was confined to a nursing home, an ill person. An up-to-date nursing home if at all possible will get the patient out of bed for a little exercise. That is good medical care. But, by Jove, the person will discover that unless he or she stays in bed for ever and ever, the expense will be disallowed. That person is not considered a bed patient, yet those who are looking after his or her health will properly make every effort to get them out of bed on all reasonable occasions.

• (3:20 p.m.)

A little while ago I had a conversation with a political observer who said, "I believe this government is going to call an election. In this country, when governments start jacking up old age pensions it always means they are going to call an election." I reflected upon that for a moment and felt that it was unlikely because it was only a few years ago that we had one.

An hon. Member: That is a Tory tactic.

Mr. Macquarrie: But when the book was opened and I saw the 42 cents there, I was convinced that no amount of charisma, no prolongation of Information Canada—

Mr. Baldwin: And no slouch-hat!

Mr. Macquarrie: —no appeal, re-appeal or white paper could make that look sufficiently attractive. No one can make 42 cents look like a munificent abundance, even at the Christmas season. So I told this man I did not think there would be an election over this issue or any other; but I think he had long since divined that such was the case.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, again and again the Prime Minister (Mr. Trudeau) and the Minister of National Health and Welfare (Mr. Munro) have told the people of Canada that the government proposes that the rich will be asked to pay the cost of meeting the needs of the poor, the old and the sick. This bill which we are discussing is supposedly the first step toward the bright new world which this social security system will bring.

It would be interesting, however, if this House and the people of Canada could see what the government has successfully hidden; if they could see the study on social security prepared by Dr. Willard, and the white paper tabled by the minister. In the light of past studies and testimony given by Dr. Willard, I am sure there is a world of difference between what he proposed and what the government has decided is politically feasible and attractive.

There is nothing in these proposals, Mr. Speaker, which can be taken to mean what the Prime Minister has said so often, that the rich will be asked to pay to help the poor. What is being asked is that the poor pay to help those who are even more poor. It is obvious that the payments already made to the old age security fund, and the increased payments which are now called for, will provide sufficient money to pay the increased benefits proposed for those who qualify for the supplement.

I am sure many members on the government side share our concern about this division of people receiving old age pensioners. Many of us are concerned about 800,000 people now receiving the old age pension, those who have been getting the basic pension of $75 a month set forth in the legislation of 1966 plus the cost of living bonus which brought their total up to $79 a month. As of January, 1971, they would have received $81 a month, but with the passage of this bill that $81 will be reduced. In fact, we will be telling those 800,000 people that from January, 1971, they will receive not more than $80 a month and there will be no increase in that fixed amount.

In the province of Manitoba, almost 50 per cent of the 94,000 people receiving old age benefits receive no guaranteed income supplement. Are they rich people, as implied by the Prime Minister? Are they so wealthy that they do not need the extra income? Of course that is not true. A few of them may have supplementary incomes but most of those receiving the old age pension alone are existing because they have modest savings or a pension, in many cases, based on employment before or just after World War II when wages were very much lower than they are today so the pension is relatively low.

I do not intend to put the figures on the record but hon. members know that over the years the hon. member for Winnipeg North Centre (Mr. Knowles) has asked many questions about CNR and CPR pensions. Members know that only a small percentage of former employees of the CNR, Air Canada, CPR or even of the city of Winnipeg have any other pension. For the most part, these people have incomes of between $2,500 and $4,200 a year. Not only will they be denied a supplement to their basic pension but it will be fixed at the niggardly amount of $80 a month.

Senator Croll's committee on poverty has done important and useful work. It is not often that I feel inclined to

compliment members of the Senate, but this committee has been doing fine work. The Economic Council of Canada had issued figures establishing the poverty line and Senator Croll's committee brought these figures up-to-date. Now it is estimated that a single person with an income of less than $3,200 a year, or a family of four with an income of less than $4,500 a year is living in poverty. This means that a large percentage of the people who do not qualify for the income supplement are living in poverty, yet these are the people who will be locked into poverty in the future by this bill.

Mr. Speaker, who are these rich people who will not receive the guaranteed income supplement, who will be limited to an increase of 42 cents a month—less than ten cents a week, as estimated by my hon. friend from Broadview (Mr. Gilbert)? The single person over 65 years of age who has other income of $110 a month will not qualify for the supplement. Is the single person earning $190 a month or $2,280 a year the person the Prime Minister was referring to when he said that the rich would have to pay to help the poor? I do not accept that. I know that the people of Canada will not accept it. I suppose we ought to be thankful for small mercies. Because of the increased benefits to be brought in, the number of people in the group I have talked about will be reduced from 800,000 to 500,000. I am referring to people with incomes between $3,500 and $4,000 a year.

• (3:30 p.m.)

What we are proposing to do in this bill is much too little for our citizens who will live in the affluent Canada of the 1970s, and it is much too late. We in this party have proposed a pension of $150 a month payable at age 65 without any means or needs test or other income qualification. I expect it is too much to expect this government to accept that proposal. They would say it is too generous and that we cannot afford it. I deny that. This debate is not an occasion for discussing what we can or cannot afford in this country. If the Minister of Finance (Mr. Benson) and the Minister of National Health and Welfare really want to know what we can afford, I suggest they should look at the recommendations of the Carter commission and then scrutinize the tremendous tax loopholes as a result of which oil companies, gas companies, land speculators, builders and others like them either escape the payment of taxes or pay very small amounts in taxes.

If we were to plug these tax loopholes, our proposal for paying $150 a month to everyone aged 65 and over would not be impractical at all. Even in the present circumstances I suggest that we could very easily think about a pension of $100 a month for those aged 65 and over, plus a guaranteed income supplement of $50 a month for a total of $150 a month. I do not for a moment believe we cannot afford that. I do not for a moment believe that if we had a fair taxation system, which at present we do not, the people of Canada would object to that kind of pension being given to our old people.

I now want to deal with another subject that has arisen repeatedly in this debate. The other day the hon. member for York East (Mr. Otto) castigated members of this party because we kept pleading for a universal old age pension plan. As we listened to him, it became obvious that for him and the government as a whole universality has become a dirty word. May I remind hon. members that it was a Liberal government which first eliminated the means test from the old age pension legislation; it was a Liberal government which made the old age pension universal.

Mr. Knowles (Winnipeg North Centre): After 20 years of prodding.

Mr. Orlikow: Of course, they had to be prodded. We shall continue prodding them. But it was a Liberal government which did that. I felt sorry that Liberal members such as the hon. member for York East virtually apologize for that. I think they ought to be proud of it. It was a Liberal government that established the hospitalization insurance plan. When the debate on the hospital insurance plan was taking place, I remember that the former Conservative Premier of Manitoba, Mr. Roblin, argued very vehemently that the people of Canada did not need a universal hospital insurance plan and that all that was necessary was for the government to implement a hospital insurance plan for those who could not afford the sort of private plan to which others already belonged.

A former Minister of National Health and Welfare who is now the government House leader in the Senate, Senator Martin, demolished that argument completely and proved that the best way of providing for hospital insurance was through a universal plan to which everyone belonged and to which everyone contributed. It was a Liberal government, Mr. Speaker, which established a medical insurance plan based on universality. The same arguments were advanced then.

I remember the Conservative Premier of Manitoba arguing that we did not need a universal medical insurance plan, that we already had plans such as the Manitoba medical services private, non-profit plan and that there were commercial insurance companies such as the Great West Life which already insured a substantial percentage of the Canadian people. He argued that therefore we did not need a universal medical insurance plan. Mr. Roblin proposed that the medical insurance plan should cover only those people who were not already covered. Yet it was a Liberal government which decided, correctly, that the best way of meeting the needs of the Canadian people was through a universal insurance plan, a plan into which every citizen of Canada paid what he was required to pay and from which every citizen of Canada received benefits. The plan would pay certain of his medical bills.

Mr. Rock: Hear, hear!

Mr. Orlikow: I see the hon. member from the area of Montreal, who perhaps is the greatest exponent of private enterprise in this House, applauding what I have

said. Previous Liberal governments thought everybody should be covered.

Mr. Rock: Of course they did.

Mr. Orlikow: We in this party urged the government to adopt the universal approach.

Mr. Foster: Would the hon. member permit a question, Mr. Speaker?

Mr. Speaker: Order, please. I apologize to the hon. member who has the floor. The hon. member for Algoma (Mr. Foster) is inquiring whether the hon. member who has the floor will permit a question.

Mr. Orlikow: Certainly, Mr. Speaker.

Mr. Foster: Mr. Speaker, the hon. member for Winnipeg North (Mr. Orlikow) has advocated a universal old age pension of $150 a month for every Canadian, without a means test. I should like to know whether he has an estimate of how much such a program would cost in addition to our existing program.

Mr. Orlikow: Mr. Speaker, these estimates have been made. When the bill is before the committee we shall bring the figures forward. I do not have them with me today, but they are available. I am not worried about the cost. My position is similar to that of a former Liberal Prime Minister, Louis St. Laurent. Although he had been a successful corporation lawyer he was not ashamed to take the old age pension. When questioned about it he said that he would pay back in taxes all the money which was required to pay his pension.

I have no doubt that the taxation system could support a pension of $150 a month which we have been proposing. I say to the hon. member for Algoma and to the hon. member for York East, do not be afraid of universality. It has been part of the program of Liberal governments over the years. If it was a good idea in the past, it is a good idea now. What interests me about the arguments being trotted out about the dangers of universality is this. The people who are arguing against universality and saying, "Let us devise an old age pension plan, or a welfare plan or a medical insurance plan only for those who need it," are the same people who so often make certain kinds of speeches in Parliament and outside.

• (3:40 p.m.)

If one reads the annual speeches of the president of the Chamber of Commerce or the president of the Canadian Manufacturers' Association, he will again and again read strictures about how terrible it is that the number of civil servants in Canada continues to rise, and how terrible it is that the bureaucracy increases and becomes more expensive. I can think of no more simple way of increasing the number of civil servants than by having a needs test, means test or income investigation with regard to the old age pension or the guaranteed income supplement. People will be required to carry out investigations. Accountants will have to ensure that people have not miscalculated.

I do not intend to deal with those who supposedly want to "milk" the plan. I believe the vast majority of people are inherently honest. They sometimes inadvertently make mistakes because they do not understand all the provisions of the plan, or for similar reasons. If this plan is accepted, accountants, bookkeepers, social workers and others will be required to investigate the incomes of those people applying for the supplement, to ensure that they are entitled to it. It is ludicrous that those people who argue that the plan should be based on need rather than being universal in scope are the same people opposed to increasing the number of civil servants.

This is not the time to discuss in detail a guaranteed annual income, a negative income tax or any of the other proposals which have been made. But these would cut down the number of civil servants required and would make life easier. They would eliminate the feeling of people who qualify for the old age pension or the guaranteed income supplement that there is something degrading about applying for it. If there were some form of annual guaranteed income or negative income tax, a person could simply fill out a form requesting assistance. I am referring to those who have reached retirement age, are sick, widowed or require extra income because of a chronically ill child. We would eliminate the fragmented and complicated systems which we now have in this country.

In the time remaining to me I wish to deal with the situation with regard to pensioners since the pension legislation was last amended in 1966. Many members of the government have tried to create the impression that through this legislation the government is proposing something very radical and generous. Under the new regulations, only 60 per cent of the people over 65 years of age will be entitled to the old age pension. If we look at the record of what has happened since 1966, we will see that this legislation is not in fact generous.

In 1966 a pension of $75 a month was set for everyone over the age of 65. It provided for the payment of a supplementary income of up to $30 a month for those who had little or no income. Since 1966 the consumer price index has increased by approximately 16 per cent. The 1966 legislation provided for an annual increase in the pension of 2 per cent a year. Members of this party warned the government that they were making a serious mistake by shortchanging the old age pensioners. As a result of limiting the cost of living increase to 2 per cent a year, the old age pension has been increased by 6.1 per cent since 1966. The position of those receiving the old age pension has grown worse each year. Since 1966 they have suffered a reduction of 9.9 per cent.

By this bill the government intends to increase the supplementary payments only to those who qualify. A single person will be entitled to $135 a month, and a

married couple to $255 a month. This will merely put those people, with respect to real income, in the same position as they were in 1966. I submit this country is substantially more affluent than it was in 1966. In terms of real income we can afford to give them more than we could in 1966. By this legislation, those who qualify will return to the same position as in 1966. Those who do not qualify, 40 per cent of those now receiving the old age pension or approximately 500,000 people, will receive almost 10 per cent less than they received in 1966. In fact, they will continue to receive a fixed amount regardless of the increase in cost of living in future years.

Approximately 40 per cent of those now receiving the old age pension will not receive increased benefits because of the pension they receive as a result of employment before retirement. That amount is also fixed. In addition to their old age pension being reduced by almost 10 per cent, their cost of living will rise in the future. For those whose benefits will be increased to the same level as in 1966, their future increases will be limited to 2 per cent a year.

When introducing this bill, the minister made the astounding statement that he expected the cost of living would not rise more than 2 per cent a year, and therefore these people would be protected. Well, Mr. Speaker, we have not had a year in the last couple of years or more in which the cost of living index has not risen by more than 2 per cent, and there is no indication at all that in 1971, 1972, or 1973 the increase in the cost of living will be restricted to 2 per cent a year.

• (3:50 p.m.)

What we are saying to these people is: We assure you that in 1971 your real income will be about the same as it was in 1966, but in 1972 or 1973 you will begin to fall behind again. This is not good enough for people who have spent their lives working and building this country and providing the basis upon which most of us are living pretty well. It seems to me we can do, and ought to do, much more for the old people than the government proposes.

In the few minutes I have left I wish to deal briefly with one other matter which it seems to me has been completely overlooked in the proposals the government has put forward. My hon. friend from Broadview (Mr. Gilbert) quoted what has been said by people working full-time with pensioners in the city of Toronto, but I am sure the same could be said of every city in Canada. What has happened every time there has been an increase in pensions is that to a large extent the increase has been eaten up almost immediately by an increase in the rents which people receiving the old age pension must pay. Few old age pensioners can afford to live in their own homes. There is not a Member of Parliament who does not receive every year scores of letters from old age pensioners complaining bitterly that as a result of increases, not just in the cost of living in general but in their local realty taxes, they cannot afford to continue to live in their own homes.

In addition to these people there are thousands of old age pensioners who have never had their own homes, who because of the shortage of housing for people in the lower income brackets have always been restricted to living in one room or in shared accommodation in a house in the central part of Montreal, Toronto, Winnipeg, Vancouver or in other cities in Canada. For these people, the increase the minister is proposing will disappear in a month or two because the shortage of housing accommodation will permit landlords to increase rents. I had hoped that this government, which was elected largely on the slogan of the just society, would by now have come forward with an imaginative, aggressive program to provide housing accommodation for those who have retired and who simply cannot afford to live in accommodation provided by the private market.

We have made progress. My hon. friend from Broadview talked about the one old age housing project in his constituency. There is one in my constituency. My hon. friend from Winnipeg North Centre has one in his constituency, and I am sure there are similar facilities in every city in Canada. One needs to spend only a few minutes, although I have spent hours, in these housing projects which have been designed and built specially for old age pensioners, to realize the fantastic difference it has made in their lives, to realize that for the first time many of them have decent accommodation. For the first time they have recreational facilities, a place where they can get together with people of their own age, people with their own interests, to play a game of bridge or, as I saw in one of the old age projects in a constituency, a game of bingo in the afternoon, which they all enjoy.

But the number of old age pensioners who have this kind of opportunity is very small, probably not more than 5 per cent of the total and certainly not more than 10 per cent; and, as my hon. friend from Broadview said so eloquently a short while ago, the waiting period for those who want this kind of accommodation can be anywhere from three years to five years. Time after time, in the period between a couple making application for accommodation and the time the room or apartment becomes available, one of the applicants, the husband or the wife, dies. This is not something of which we can be proud. It was my hope that the government would have brought forward measures to indicate their real concern for the old people, a real program aimed at providing adequate living accommodation for them.

I wish to close by repeating what I said as I began my remarks. This is not a plan by which the rich will help to provide for the needs of the poor. It is a plan, deliberately designed, by which the poor will be called upon to make sacrifices in order that those who are even poorer may receive a little more. I think this is not good enough for the people of this country.

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

Family Allowance Act

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, may I be permitted to ask the Parliamentary Secretary to the Minister of Finance about the forthcoming business for the House? Yesterday the government House leader indicated that Monday would be devoted to the indoor pursuit of the budget. I now understand that according to arrangements made, Tuesday will be set aside for the budget as well, with a vote on the NDP subamendment if they think they can improve on our amendment. Will the Parliamentary Secretary confirm this?

Mr. Mahoney: That is correct. Monday and Tuesday will be devoted to the budget debate, and assuming an amendment and subamendment are forthcoming there will be a vote on Tuesday evening. On Wednesday I assume the old age security measure which we are now debating will again be discussed. However, that is a subject for further discussion among the House leaders.

Mr. Knowles (Winnipeg North Centre): It is good to have this information. I can assure the hon. member for Peace River that we shall improve upon his party's amendment.

• (4:00 p.m.)

PRIVATE MEMBERS' MOTIONS

FAMILY ALLOWANCE ACT

SUGGESTED INCREASE IN ALLOWANCE FOR CHILDREN UNDER 16

[*Translation*]

Mr. Henry Latulippe (Compton) moved:

That, in the opinion of this House, the government should give consideration to the advisability of amending the present Family Allowance Act to the advantage of all children in Canada less than 16 years old, to provide for increases to an amount of at least one dollar per day, increases which are absolutely necessary to justify adequate support to parents who still consent to prepare for our country the future generation of workers and, if necessary, of soldiers capable of defending it when needed. In addition, the House should study the means of earmarking the necessary amounts for payment of these family allowances from the national production of goods in order not to increase personal or corporation income taxes, or the cost of living, or the cost of any goods or service, for this purpose, which is perfectly possible, easy and to the advantage of all the citizens of Canada, as well as very profitable for the whole general economy of all the nation.

Mr. Speaker, I am pleased once more to discuss the same motion that has appeared on the order paper for several years. Last year, the House was unable to grant me time to discuss it. This year, I am happy to explain the motion that reads as follows:

That, in the opinion of this House, the government should give consideration to the advisability of amending the present Family Allowance Act to the advantage of all children in Canada less than 16 years old, to provide for increases to an amount of at least one dollar per day, increases which are absolutely necessary to justify adequate support to parents who still consent to prepare for our country the future generation of workers and, if necessary, of soldiers capable of defending it when needed.

In addition, the House should study the means of earmarking the necessary amounts for payment of these family allowances from the national production of goods in order not to increase personal or corporation income taxes, or the cost of living, or the cost of any goods or service, for this purpose, which is perfectly possible, easy and to the advantage of all the citizens of Canada, as well as very profitable for the whole general economy of all the nation.

Mr. Speaker, since I was elected in 1962, my party has entrusted me with putting the case for family allowances. I have been doing so for eight years and I have not won anything so far. My statements on this matter would fill quite a book.

Today, I would like to make a summary of my numerous remarks on this issue which, in my opinion, is the most important one ever discussed in the House.

Mr. Speaker, this is the most important question, as it affects seven million citizens, namely more than a third of Canada's population. It is an important subject because seven million children, the hope of this country, cannot provide for themselves and must, of course, rely on their parents and on the society in which they live.

If parents have the first responsibility as far as the life and education of their children are concerned, we must recognize that they assume that responsibility within an organized society, under the federal government's authority.

Let us remember that in all matters concerning the monetary system, currency, the banking system, rates of interest and the issuing of money or credit, the federal government retains all powers, but it must also respect the life of every Canadian citizen.

More and more money is needed in order to live in our society today. Even if 8,500,000 adults can earn money from work or from investment of their capital, there are still 13 million other citizens who have no cash income at all and therefore no purchasing power neither from work nor from their capital. But the latter are all entitled to a standard of living based on the annual national production.

That is the basis of any study on the importance of the amounts of money that are to be guaranteed to each Canadian as a guaranteed personal income from birth to death. That is the first right of the citizen.

The government must recognize its economic and monetary responsibility in connection with the right to live of each Canadian citizen.

Children, who cost a lot, cannot earn their living. The father works at the same salary as the bachelor. The housewife does not receive any salary.

On the other hand, companies have nobody to support, they make very big profits, they pile up the greatest reserves and make the biggest capitalizations with billions every year from the annual national production.

This year, on a production of $84 billion, $34 billion is capitalized and only $50 billion goes to consumption. Let us face those known facts before taking decisions in connection with family allowances.

Mr. Speaker, it is before the prospect of a deficient consumption of $50 billion and a capitalization of $34 billion that we have to place ourselves to study the case for family allowances. Indeed, in 1970, seven million Canadian children or students are dependent upon their parents or society in general under the responsibility of the federal government. In 1970, consumption is deficient at $50 billion compared to an extravagant capitalization of $34 billion out of a production amounting to $84 billion.

• (4:10 p.m.)

Those figures are recognized by all those responsible for our economic policy and we should reach logical conclusions and work out easily applicable solutions.

First we should guarantee every Canadian citizen a decent income that will provide for the necessities of life when he gets no personal income through his work or his capital.

Secondly, we should get the required funds not from working people but from capitalized amounts mainly from major companies.

Mr. Speaker, before too much capitalization is allowed, consumption should be high enough. Prior to facilitating the expansion of companies and providing for the future, we must, as of now, see to the survival of Canadians.

The most elementary common sense compels us to draw such conclusions.

In the present circumstances, our economy is out of balance. A minimum of thinking leads one to realize that each citizen's primary right is his right to live.

At the present time, their work and their capital provide 8,500,000 Canadian citizens with purchasing power, whereas 13 million Canadians have no work nor capital. Shall we condemn them to die or to disappear from our society?

No, Mr. Speaker, nobody will admit such conclusions. If, in my notice of motion, I am asking that a monthly allowance of at least $30 per month be paid to each Canadian child and that this amount be taken from the huge reserves of the large companies and the amounts they capitalize each year, the reason is that we should not reduce the other citizens' purchasing power, nor increase taxes or the cost of living.

Mr. Speaker, I am today suggesting a complete revision of our economic system; however, it would be adaptable to the present mechanisms of our monetary, economic and political systems. The only thing to do is to impress on our governments the need for a sense of direction in our economy.

What is today recognized as the established order is economic unbalance or organized disorder. This is the reason why all the government's new decisions embodied in the white papers and the estimates can only spread confusion all over Canada. I know very well that my proposal can be implemented only in a new economic perspective. This is why my notice of motion states very clearly that the House should study the means of paying a monthly allowance of $30 and, and I quote:

> —earmarking the necessary amounts for payment of these family allowances from the national production of goods in order not to increase personal or corporation income taxes, or the cost of living, or the cost of any goods or service—

I am not asking that $30-a-month family allowances be paid immediately for all children below 16 years of age; what I want is that a study be undertaken to determine the possibility of changing our way of managing the economy of our country. No longer are we endeavouring to fulfil the needs of our fellow-citizens. Instead, we are working toward the development and the financing of companies which are getting richer every day while numerous citizens are being gradually denied the income with which they would fulfil their own physical, intellectual and spiritual needs.

Therefore, I recommend that a study group be instituted and charged with the responsibility of finding means of achieving a national economic balance between incomes, expenditures and profits, between individuals, families and companies, from the national production of goods, which must be adjusted to consumption and capitalization, in order to provide for our citizens' needs. We must do so before allowing corporations as administrative implements to earn and capitalize too much for our future development.

Remember that other capitalist countries, including Germany and Japan, have practically achieved full employment, while our own situation in Canada is deteriorating. We must find ways to produce more by employing the full work force in order to create even more income and to stimulate production.

However, persons without employment or capital should have sufficient purchasing power to provide for the bare necessity, which would result in a better flow of consumer goods and daily personal services. This would contribute to increase the number of jobs at all levels, not only in big cities but also in the smallest parishes.

I hope, Mr. Speaker, that my notice of motion will be considered and that a study committee will be established to examine ways of considering the whole orientation of our national economy, in order to achieve the economic balance between capital, labor and the vital rights of unemployed and poor citizens; between management, employees and dependent citizens; between production, consumption and capitalization; between personal requirements, production costs and prices and also the gigantic capitalization reserves.

All those words are most meaningful. They all are important in building a balanced and orderly economy, aiming towards its true goal: to meet the needs of living

citizens, and also to strive for profits and capital investment by institutions.

Both these things are necessary, but meeting the present needs of citizens in 1970 should not be sacrificed to seeking over-ambitious capital investments in view of our future development.

Each year's production should provide for the current year's needs before it is applied to the needs of subsequent years. Instead of using $34 billion for capital investment out of a production of $84 billion in 1970 and consuming only $50 billion, let us consume $12 billion more, deducted from the $34 billion for capital investment. That will still leave $22 billion for capital investment for our future development, still more than $1,000 per capita. Those $12 billion added to consumption would provide monthly family allowance payments of $30 for the 7,000,000 school-children under 11, $60 for students between 12 and 17, $90 to each citizen between 18 and 59, without work or capital, and $120 to all citizens of 60 or over.

Every citizen would thus be assured of a guaranteed income, either through his labour or through his capital, from the national product in each fiscal year. The 21,500,000 people who make up the Canadian population would thus be assured of a decent purchasing power.

As all those figures are accurate, they should be carefully studied. If we set aside $12 billion for purchasing power from a capitalization of $34 billion, $1 billion would be circulated each month to assure a minimum guaranteed income to each citizen. And, should we do this under our present system, nothing would need to be changed, except that the government would have to make a decision.

The Acting Speaker (Mr. Laniel): Order. I regret to interrupt the hon. member, but his time has now expired.

Does the House agree that the hon. member for Compton (Mr. Latulippe) should finish his speech?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): The hon. member for Compton.

Mr. Latulippe: Thank you, Mr. Speaker. I thank the hon. members for allowing me to continue but I have nearly finished.

• (4:20 p.m.)

I was saying earlier that if we put more money in circulation fewer people will have to receive unemployment benefits and welfare allowances. We could solve this problem, and it would not cost the government any more to give away money as guaranteed income than as family allowances or social welfare benefits. All the plans now implemented could disappear and be replaced by the guaranteed income to every Canadian citizen. It is possible, if we rely on the economic reality of our country. If we provide work to almost all citizens, the national product will double and it will be easy to find a billion dollars a month to assure Canadians of a viable and well balanced economy that will satisfy them.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when the hon. member for Compton (Mr. Latulippe) presented his motion at four o'clock, His Honour the Speaker discovered that my hon. friend did not have any of his party colleagues with him to second the motion and therefore he took the liberty of naming me.

Mr. Walker: Politics make strange bedfellows.

Mr. Knowles (Winnipeg North Centre): Go back to sleep, Jim. I had not given my prior consent, but I have no objection at all to being the member who makes it possible for the hon. member for Compton to have his motion discussed during the private members' hour this afternoon. I confess that the motion is worded in language I perhaps would not want to place on the order paper, mainly because even if we should pass the motion I do not quite know what would be the result. It seems to me, however, that the hon. member has a point. He emphasized it in his remarks and it is a point which Parliament and society as a whole one day will have to consider.

I know my hon. friend is criticized because he and his colleagues talk about providing increased benefits without increased taxation. Indeed, the immediate response to that is that it cannot be done. I should simply like to put it this way. Twenty, thirty or forty years from now no doubt our productive capacity will have resulted in an even greater quantity of goods and services than we now produce, and I just cannot imagine that we will continue to divide an increased quantity of goods and services among our people in such a way that a few are fabulously wealthy and a multitude are grievously poor.

I think we will find a better way to distribute the goods and services we produce. I believe we will get over the idea that it is good enough to increase the standard of living of those at the top by three or four times the extent to which we increase it for those at the bottom and that we will find a better way to distribute our goods and services. Perhaps in the 20, 30 or 40 years to which I have referred we will not achieve economic equality in a country like this, but unless we move toward greater equality and away from an era in which we forever widen the gap between rich and poor, our society will be in a bad way.

I do not subscribe to the economic theories of my hon. friend who moved this motion of which I am now the seconder, but I am glad to see the subject discussed. I commend him for raising it year after year, and I think hon. members who wish to criticize my hon. friend's proposals should come up with something better or we might as well call it five o'clock.

[*Translation*]

Mr. Gaston Isabelle (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I will

be brief because I know that other members have something very important to say on the motion moved by the hon. member for Compton (Mr. Latulippe).

As I always do, I have listened closely to his speech delivered with the impassioned spirit which always impresses the House. His determination to conquer straight off and to revolutionize the whole modern society of our time at one swoop does him credit. The member is very honest, very nice and pleasant, comes from a good family, is a shrewd businessman, but when he makes a speech like the one we have just heard, especially on the theories that he has outlined, I wonder if he is serious, because he knows very well that what he said might possibly apply in a society without any inequalities.

The hon. member for Winnipeg North Centre (Mr. Knowles) claims that unless inequalities are removed, there will be problems. That is obvious, because we cannot all be equal. There shall always be more intelligent, more successful people. Short of living in an ideal society, it would be absolutely impossible to achieve this. Socialist and communist states have tried to achieve it, but they have failed.

The hon. member would have us increase allowances by $1 a day. That is the theory that he would have us consider.

The hon. member referred to capitalists and that is why I say again that it is impossible to achieve equality among citizens. There always will be rich and poor people. It is not because needy persons are more stupid than the rich. It is because they cannot improve their lot in their environment. In my opinion, the government must play a suppletory part. Basing ourselves on that theory, we must admit that the rich people must help those of slender means, not to make them richer, but to enable them to lead a normal life and to become first class citizens.

The member is well-intentioned, but his proposals are impractical, except in an ideal society. But if we were living in an ideal society where everyone would be honest and enjoy the same standard of living, jails, schools and Parliament would be useless. In fact, as long as there is people on earth, some will suffer, there will be happy people, poor ones, rich ones and dishonest ones. In a word, there will be all kinds of people.

That is why any good society adopts democracy, because it allows it to make a choice which, in this case, consists in taking from some people to give to others in order to make everybody happy.

That is all I had to say. I believe the hon. members who will speak after me will be able to give figures to support what I have just said. But it would be unthinkable for a self-respecting society to resort to such solutions, particularly to help children who expect so much from politicians!

I hope that when they read our speeches, they will at least be able to say that government members could submit significant data. A close study of the notice of motion now before us makes one realize that it would be practically inconceivable to adopt it.

Family Allowance Act

• (4:30 p.m.)

[*English*]

Mr. Maurice Foster (Algoma): Mr. Speaker, I am very pleased to make a few brief comments on the motion put before the House this afternoon by the hon. member for Compton (Mr. Latulippe). In many ways it is a very fitting day to have this private member's motion before the House because we have been debating social security, including the guaranteed income supplement, and his motion refers to an improvement in the family allowance program.

I congratulate the hon. member for being so persistent with this motion. He mentioned that for the past eight years, since 1962 I think, he has been placing this motion before the House and debating it each year, and today he was good enough to go through all the details of the ideas and theories which he has developed over those years. I do not think the hon. member should be too disappointed, because on reading the white paper on social security we find that the Minister of National Health and Welfare (Mr. Munro) proposes to bring in a new family income supplement plan on April 1 next, which will in effect provide the equivalent family allowance of $16 per month per child to families earning up to $10,000 a year.

The hon. member is proposing a family allowance of a dollar a day per child, which is about $30 a month, so we are almost half way to meeting his proposal. However, to implement his proposal immediately, a quick calculation shows that if it were to be a universal program it would cost something like $2.7 billion. At present, family allowances cost something like $560 million and with the increase proposed by the minister I understand the cost will be $660 million. Therefore, a tremendous cost would be involved if we were to implement the hon. member's plan.

Someone recently carried out a study on the cost of implementing a guaranteed annual wage with the floor being the 1967 poverty line. Of course, we have had much inflation since 1967 in the Canadian economy and the poverty line established in 1967 by the Economic Council of Canada is out of date. But even to implement a guaranteed annual income at the 1967 poverty line would cost something like $2 billion in addition to our present social welfare program.

I would like to take a moment or two to look at the other end of the spectrum. This afternoon the hon. member for Winnipeg North (Mr. Orlikow) said his party advocated setting up a universal old age pension of $150 a month across the board and without a means test. I asked him what the cost would be and he was not able to supply it. Since then I have ascertained that there are 1,670,639 people over 65 years of age in Canada, and if you multiply that number by $1,800 you get a figure of slightly over $3 billion. Of course, many people are already receiving old age assistance and the old age supplement and this amount would have to be subtracted from that figure. Therefore we are talking about an additional $1 billion or $2 billion. These programs are very costly if they are universal. If the proposal of the

hon. member for Compton were adopted and we were to give each child a dollar a day up until age 16, we would be paying $30 per month per child. To pay a pension of $150 a month at age 65, as advocated by the seconder of the motion, would cost $5 a day from age 65, across the board to every Canadian.

Our primary concern this afternoon is to discuss the family allowance program which first came into being in July, 1945. From July, 1945, until April, 1949, the family allowance was paid on a selective basis depending upon a family's income. In 1949 the income tax exemption for children was made the same for everyone, whether they accepted family allowances or not; therefore, it was to the advantage of most families to accept the allowance. Since 1949, therefore, it can be said that family allowances have been truly universal.

Until September, 1957, there were four rates payable under the family allowance program. For children under six the rate was $5 a month. For children between the ages of six and ten the allowance was $6 a month. For children between 10 and 13 the allowance was $7 a month, and for children between 13 and 16 it was $8 a month. In 1957, however, the $5 and $7 rates were dropped so that a child under ten received $6 a month and children between ten and 16 received $8 a month. The effect of this change was to raise for the majority of children the amounts payable.

In September, 1964, the youth allowances program was introduced. This scheme provides for payment of $10 a month in respect of children aged 16 and 17 who are in full-time attendance in school or university or who by reason of a severe physical or mental ailment are precluded from attending school. At present the youth allowance program is costing in the order of $55 million annually.

In the province of Quebec youth allowances are not paid. In Quebec a similar program entitled "schooling allowance" is in effect. The federal government makes a grant to the province to cover the cost of this schooling allowance. For the fiscal year 1970-71 it is expected that the Quebec program will cost the federal treasury approximately $22,350,000. The current cost of the family allowance program is in the neighbourhood of $560 million. As you are aware, Mr. Speaker, the minister has tabled a white paper which proposes the introduction of a family income security plan. The family income security plan is one of the measures designed to give greater emphasis to anti-poverty measures. This emphasis should be effected in a manner which enables the greatest concentration of available resources upon those with the lowest incomes. For this reason, selective payments based on income should be made where possible, rather than universal payments which disregard the actual income of the recipient.

• (4:40 p.m.)

The family income security plan, which replaces the family allowances plan in effect, is applicable to all children under 16. Its major proposals are: first, the benefit to be increased to $16 for each dependant child under 16 in families where income is not more than $4,500 a year; second, where family income exceeds $4,500 a year, the rate of benefit will be gradually reduced until a benefit of $5 a month for each child is payable to families of a combined income of $10,000 a year; third, families with incomes in excess of $10,000 a year would no longer receive any family benefit; fourth, family income security benefits would be treated as taxable income of the person who claims the child as a dependant for income tax purposes.

To illustrate the approximate amounts of benefits which will be payable under this proposal at different income levels, I would like to quote the following figures: for incomes up to $4,500, the monthly benefit per child will be $16; for incomes between $4,501 and $5,000, the benefit will be $15; between $5,000 and $5,500 the benefit will be $14, and so on until we reach a family income of between $9,501 and $10,000 when the payment will be the minimum, $5. Over $10,000 the benefit will cease.

Mr. Speaker, what will be the effects of these proposed changes to the family allowance plan? First, the universal payment will no longer be paid to families with higher incomes and resources will be concentrated on those people who are in real or potential need. The proposal will give additional money to people whose own resources are not enough to meet the needs regarded by society as basic. Thus, for the children of families who through no fault of their own are in the low-income bracket the program will provide funds necessary for the maintenance of their children.

The family income security plan will provide real and direct benefit to over 640,000 low-income families. For families with a combined income of $4500 or less the plan will provide payments of $16 a month for each child. This represents a 100 per cent increase for children ten through 15 years of age, and a 167 per cent increase for younger children when compared with the family allowances program of today. Therefore, Mr. Speaker, of 3.1 million families with children under the age of 16, three-fifths will receive higher benefits than those they receive at present under the family allowances plan, and approximately one-fifth of these will receive the full $16 a month benefit.

The family income security plan will increase the incomes of families on social assistance, including most of the 150,000 mothers who are by themselves raising some 330,000 children. Moreover, Mr. Speaker, the program is amendable to future increases in benefit level and to extension to adult family members and to childless persons. The cost of the family income security plan in its first year of operation will be in the neighbourhood of $660 million, or about $100 million more than at present. The higher benefits of the new plan which is proposed will be financed from approximately $270 million of benefits withdrawn from higher income families and by tax recoveries from beneficiaries.

An hon. Member: A lot of research there, Maurice.

An hon. Member: He did his homework.

Mr. Foster: Mr. Speaker, the family income security plan proposed by the Minister of National Health and

Welfare will have the effect of redistributing the present allowances received by families in higher income brackets to those in lower income brackets. This, Mr. Speaker, is a direct attack on poverty. Surely this proposal is putting the dollar where it is needed most. Were the motion of the hon. member to be adopted, and were allowances for all children in Canada less than 16 years of age to be increased by $1 a day, the cost to the federal treasury would be a total of $2.7 billion a year.

An hon. Member: How much?

Mr. Foster: A total of $2.7 billion a year. This is four times the current expenditure of the family allowance program, which costs approximately $560 million. In conclusion, Mr. Speaker, the proposed family income security plan contained in the white paper on income security proposes the strengthening of the concept of providing guaranteed income support, not universally but on a selective basis related to family income and family needs. The guiding principle in the proposal is to ensure the greatest possible concentration of resources upon the people in greatest need. It reflects a new sense of purpose and social relevance and is a specific response to the particular problems of those in the low-income bracket.

[*Translation*]

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I shall speak only for a few minutes because I am convinced the hon. members will want this motion to be put to the vote.

The motion is interesting in that it ties in with the discussions we have had since the white paper on social security was tabled.

I do not agree whole-heartedly with the remarks of the parliamentary secretary to the Minister of National Health and Welfare (Mr. Isabelle) who says simply that there will always be poor people and rich people.

That argument is not valid, when an attempt is being made to solve the problems of the needy. I blame the government on that score.

Something must be done for the poor.

Mr. Corbin: Mr. Speaker, that attitude is realistic, though.

• (4:50 p.m.)

Mr. Comeau: Mr. Speaker, the Parliamentary Secretary to the Minister of Fisheries and Forestry says that we must be realistic and I agree with him. But, when older people are paid $80 per month, when war veterans get a mere pittance and mothers receive $6 per month per child, I do not believe this is being realistic.

This morning I received a petition signed by about a hundred mothers, asking for an increase in family allowances.

It is quite true that the white paper published this week by the government suggests increasing to $16 per month family allowances for families having an income of less than $4,500.

An hon. Member: Very good stuff, Louis!

Mr. Comeau: Very good stuff, I agree.

I congratulate the government: at last it has seen the need. If it also agreed to increase the old age pensions and veteran's pensions in the same proportion, I would be very happy.

It is my understanding that this change will take effect in September 1971, and I for one shall certainly support it. However, I fail to see why this measure should disregard a person whose annual income is only $10,000.

Mr. Corbin: Poor people!

Mr. Comeau: It is true that in the opinion of the Parliamentary Secretary to the Minister of Fisheries and Forestry, some make thousands of dollars and can pretty well get along without that. It is perhaps not logical that I, with only two children, should receive that $12 a month.

There are still families with 7, 8, 9, 10, and even 12 children who absolutely need allowances. Indeed a family, especially in the city, with a salary of only $10,000, is certainly not rich.

I commend the member for his arguments. I do not quite agree with him. Perhaps he is exaggerating when he says we should provide allowances of $1 a day. I wish to commend him as there is no doubt that we must increase them. I think they will be increased again soon.

I do not agree with the member for Algoma (Mr. Foster) whose arguments were based on the cost of the allowances.

Mr. Speaker, money is always available for what one wants to do. After a degree of priority is agreed upon, the required money is easily found.

Talking about cost is not necessarily a good argument since everything is costly nowadays.

Although I did say that I do not accept all of what the hon. member for Compton advocates, I believe the situation can still be improved.

The cost argument is not valid: if there is a will to find money, there is a way. Indeed, if the government should present a policy liable to bring about the harmonious development of our country, everybody would make more money and would pay more taxes. Government revenue would grow and, consequently, pensions could be raised.

Mr. Corbin: Mr. Speaker, would the hon. member permit me a question?

Mr. Comeau: Provided it is brief.

Mr. Corbin: Mr. Speaker, I would like to ask the hon. member whether he considers that the increase in family allowances has priority over the development of the Bay of Fundy tide-driven plant.

Mr. Comeau: Both these projects, Mr. Speaker, should be given top priority.

[*English*]

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): Mr. Speaker—

Mr. Knowles (Winnipeg North Centre): Louder, please.

Mr. Perrault: —the matter before the House relates to an important aspect of income security, namely, the present Family Allowances Act. I should like to say, however, that in the past two days we have heard an incredible amount of pathos and bathos from opposition members who have been suggesting that this government is made up of a group of hard-hearted, tight-fisted, flint-souled people who are not concerned about the welfare of the underprivileged.

Mr. Comeau: That is quite right.

Mr. Knowles (Winnipeg North Centre): Well put.

Mr. Perrault: We have listened to this great outpouring of sentiment for the underprivileged in our society. I remind hon. members that not only does the present government feel great concern for those with large families who need improved family allowances, to whom the hon. member has referred, but that the members of this party are willing to act on behalf of the underprivileged.

Some hon. Members: Hear, hear!

Mr. Perrault: We recognize, on this side of the House—

Mr. Knowles (Winnipeg North Centre): Apparently the Liberal party is willing to undo what it has done.

Mr. Perrault: —that the families of our nation deserve more help, as do our senior citizens.

Mr. Comeau: Then why does the government not help them?

Mr. Perrault: The unemployed need more help, also. I say this to hon. members: No nation in the world is doing more for its senior citizens and families, and for those who are dispossessed and underprivileged, than is this nation.

Mr. Knowles (Winnipeg North Centre): Louder!

Mr. Perrault: This is a matter of record. Oh, we have heard the other parties, the Social Credit supporters especially, saying that we must help families. Last night the financial critic of the Conservative Party sounded like the voice of Christmas past when he said something like, "We want to see Liberal proposals that will bring about improved assistance for the underprivileged in society." What about the record of Conservative governments, provincial and federal, in these areas?

An hon. Member: Right.

Mr. Perrault: They have not matched, in any sense, the generosity shown by successive Liberal governments, federal and provincial. And what about provincial Social Credit governments in Canada? Not one of them has a record that is as creditable as that of the federal Liberal government of today. Last year an NDP government was elected in the province of Manitoba. The unemployed, at a special convention condemned the NDP for failing to assist the unemployed who were suffering.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Louder!

Mr. Perrault: And then they proceeded to move resolutions showing they wanted to chuck that government out of office.

Mr. Knowles (Winnipeg North Centre): Smile, Ray.

Mr. Perrault: You know, Mr. Speaker, these other parties discovered when they were in government that there is an inevitability to financial laws and that governments must bring order to their priorities. Surely, we must help the families of Canada; but we must help those families which need our help most.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order.

Some hon. Members: Hear, hear!

Mr. Perrault: No doubt the hon. member is asking for unanimous consent to allow me to continue.

The Acting Speaker (Mr. Laniel): Order, please.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. My point of order is this. I believe the House is so enjoying the hon. member's speech that it would like to hear the rest of it.

Some hon. Members: No.

Mr. Bell: It is too hard on the staff.

Mr. Knowles (Winnipeg North Centre): Who said no?

The Acting Speaker (Mr. Laniel): According to the rules of this House a certain procedure must be followed if we want to extend the hours of sitting. Since this procedure has not been followed, I have no choice but to say that the hour provided for the consideration of private members' business has now expired. It being five o'clock, this House stands adjourned until Monday next at two o'clock, pursuant to paragraph 1 of Standing Order 2.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, December 7, 1970

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

STATUS OF WOMEN

TABLING OF REPORT OF ROYAL COMMISSION

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should like to table copies in the two official languages of the report of the Royal Commission on the Status of Women in Canada.

* * *

TRADE

TABLING OF AIDE-MÉMOIRE AND NOTE TO UNITED STATES GOVERNMENT

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, as promised by the Secretary of State for External Affairs on November 25 last, I have the honour of tabling on his behalf the memorandum and note sent to the American government on the trade policy of the United States.

* * *

[*English*]

PROCEDURE AND ORGANIZATION

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Grant Deachman (Vancouver Quadra) moved that the first report of the Standing Committee on Procedure and Organization, presented to the House on Friday, December 4, 1970, be concurred in.

Motion agreed to.

* * *

BRITISH NORTH AMERICA ACTS

AMENDMENTS RESPECTING DISSOLUTION AND TERM OF PARLIAMENT

Mr. Doug Rowland (Selkirk) moved for leave to introduce Bill C-206, to amend the British North America Acts, 1867 to 1965 (Duration of House of Commons).

Some hon. Members: Explain.

Mr. Rowland: Mr. Speaker, this bill is designed to be a small step in the direction of returning the focus of government in this country to Parliament, where it belongs. The measures advocated in the bill would, hopefully, increase the influence of the individual Members of Parliament through broadening the range of issues upon which free votes would be possible, thereby strengthening Parliament's role in the policy formation process. Specifically, the bill would take away the right of the Prime Minister to recommend dissolution of Parliament and place that power in the hands of Parliament by establishing a set term of four years for Parliament, except—

• (2:10 p.m.)

Mr. Speaker: Order, please. I have to interrupt the hon. member to remind him that he cannot make the statement at this time which he would normally make on second reading. He can only explain the bill briefly. I am not sure whether the hon. member considers his statement to be brief, but he should bring it to a close as quickly as possible.

Mr. Rowland: For me, Mr. Speaker, this is brief. I will bring it to a close as quickly as possible. The bill establishes a set term of four years for Parliament, except in the eventuality that the government is defeated on a specific motion of want of confidence, or if it is defeated on a bill or a portion of a bill—

Mr. Speaker: Order, please. Unfortunately for the hon. member, the standards of brevity which apply are the Speaker's standards, and the hon. member has exceeded those standards. I must therefore ask the House whether the hon. member has leave to introduce the said bill.

Some hon. Members: Agreed.

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

* * *

AUDITOR GENERAL

PROVISION FOR APPOINTMENT, SALARY AND DUTIES

On the order: Introduction of Bills:

December 4, 1970—Mr. Baldwin—Bill intituled: "An Act respecting the Auditor General of Canada".

Mr. Speaker: The hon. member will suspect that the Chair has serious reservations about the bill in respect, of course, of its financial aspects. The hon. member knows that a bill which has financial aspects has to be preceded by a royal recommendation. The hon. member very imaginatively has seized upon the recommendation which had been received in respect of a bill which was before the House previously and has been withdrawn. The hon.

member apparently considered that the recommendation was still floating around in a vacuum and seized upon it and decided to apply it to his own bill.

The hon. member realizes he has to convince the Chair that His Excellency has actually communicated with the hon. member for Peace River and advised him that he would support his bill and was recommending it for the consideration of the House. I have not been in touch with His Excellency to confirm this, but I would like the reassurance of the hon. member that His Excellency has actually recommended this bill and not another bill which was before the House previously.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I will start by saying that His Excellency did not get in touch with me over the weekend to inform me that he had withdrawn his recommendation. On the assumption that Your Honour might like to hear argument on this point, I have prepared some material.

Some hon. Members: Oh, oh!

An hon. Member: Yes or no?

Mr. Baldwin: I see that I have a hanging jury on the other side. They are against me before I even start. Last Thursday the government somewhat reluctantly withdrew Bill C-190. Bill C-190 had been introduced pursuant to a recommendation of His Excellency which first appeared on the order paper on Friday, November 13 in the absence of the President of the Treasury Board (Mr. Drury) who was not in the House at either the birth or the death of his bill. The recommendation was as follows:

> His Excellency the Governor General recommends to the House of Commons a measure respecting the Auditor General of Canada to provide for the appointment, salary and duties of the Auditor General and for the appointment of the required officers and employees.

On November 16 the bill was introduced by the Minister of Agriculture (Mr. Olson) for the President of the Treasury Board in precisely those terms.

I have three grounds upon which I base my submission that this bill can be introduced and proceeded with at least as far as third reading before any question can arise. Even then, in the light of the special circumstances here I submit that no question should arise.

About three weeks ago, in connection with an application I made in the course of a debate on the Canada Grain Act I argued very strongly and, I believe, correctly, that an amendment which the government had introduced to that Act was not covered by the recommendation and that it should not be allowed for that reason. Your Honour then ruled that the amendment was, in fact, merely a repetition of a previous statutory provision which was repealed by the present Grain Act and that the recommendation of His Excellency need not be varied. This is my first point, and I urge it strongly upon Your Honour.

My second point is that the bill is covered by the recommendation of His Excellency which was expressed

[Mr. Speaker.]

in the wording I have read in respect of a measure dealing with the Auditor General of Canada, providing for his appointment, salary, duties, and so on. I shall not take up the time of the House by reading what took place in this chamber last Friday although I have read the record with some interest. When the President of the Privy Council withdrew the bill on behalf of the President of the Treasury Board he presented the House with a unique situation, as Your Honour pointed out. Here was a money bill, brought in pursuant to a recommendation by His Excellency which simply said in very general terms that a measure could be introduced in respect of the Auditor General. There is no suggestion that the recommendation has been withdrawn; the bill has been withdrawn but the recommendation still exists. Moreover, we have heard time and time again from the Prime Minister and from the President of the Treasury Board that this was not the government's bill. Mind you, Mr. Speaker, we did not take this too seriously; we thought hon. gentlemen opposite were trifling with the truth when they said this. But the point they made over and over again was that this was not the government's bill but a bill they had seen fit to bring in consequent upon recommendations by a committee of this House. In these circumstances I submit that the recommendation stands, and that if it is possible for any hon. member to bring in a bill which falls within the four corners of the recommendation, it should be accepted.

The bill I have brought in deals with the Auditor General; it deals with the appointment of the Auditor General, the salary of the Auditor General and the duties of the Auditor General precisely as established in the recommendation which His Excellency made to the government for the benefit of the House of Commons. I contend that as a member of the House of Commons I am entitled to take advantage of the situation. Since there is a recommendation with no bill, I have fitted a bill to the recommendation. The measure I propose ought not to be refused merely because it varies to some extent from the one put forward on behalf of the government, merely because it provides for better conditions for the Auditor General and for the exercise of a greater measure of objectivity in his operations. Otherwise, as I say, it falls squarely within the ambit of the recommendation.

I should like to read to Your Honour one citation from Beauchesne which appears to cover this point—Citation 251:

> It may happen that the resolution sanctions some expenditure without fixing the maximum amount to be spent. If, for instance, the resolution recommends that adequate salaries be paid a newly constituted body and the amounts of the salaries are fixed in the Bill based on that resolution, the Committee on the Bill has the right to increase those amounts—

• (2:20 p.m.)

I suggest that that is authority for the proposition that, when the recommendation is there and is couched in general terms and no bill is before the House, it is

proper for a private member to bring a bill in on the basis on which I brought in this bill.

Over and above that, my third point is that I rely on the fact that as the Standing Orders now exist they do not prohibit a member from introducing and debating a bill relating to financial expenditures, though they may inhibit his right to have the bill brought to a position where a vote can be taken on it. I base this point on the vague possibility that Your Honour may not agree with what I have said so far.

Section 54 of the British North America Act, is, of course well known. It provides as follows:

It shall not be lawful for the House of Commons to adopt or pass—

I call Your Honour's attention to those words, "to adopt or pass".

—any Vote, Resolution, Address, or Bill for the Appropriation of any Part of the Public Revenue—to any Purpose that has not been first recommended to that House by Message of the Governor General—

I point out in that regard that historically the Quebec resolutions and the London resolutions, upon which the British North America Act was based, contain somewhat different wording. They contain the wording that "it shall not be lawful to originate or pass". In place of the words "to originate", the British House of Commons, in enacting the British North America Act, used the words "to adopt or pass".

I call to Your Honour's attention that there is a plain difference between the words "to originate" and "to adopt". As the British North America Act has been passed, there is a leeway on the part of any private member to introduce and to debate a bill, but not to require the House to come to the stage of adopting and passing the bill on third reading. The way the House got around that was that in the Standing Orders as they existed before the rule changes we made in 1962 there was a condition precedent that it was essential for there to be a financial resolution, and the financial resolution had to be introduced by a minister and debated in the House. That way provided a practical means whereby a private member, not being able to introduce such a resolution, was inhibited from being able to say that not only did a private member have the right to introduce a bill dealing with money but also to have it debated.

In 1968 when we made our changes to the rules this particular provision was repealed. In place of Standing Order 61 the House introduced Standing Order 62. The first part is simply a re-enactment, a copying, of section 54 of the British North America Act. Subclause 2 provides that there shall be a certain procedure, through the means of printing a recommendation on the notice paper and in *Votes and Proceedings* when a measure dealing with financial expenditures is to be passed.

My submission is that anything that prohibits a private member from introducing a measure of this kind must fall within the four corners of Standing Order 62(2). My brief contention in this regard is that that Standing Order constitutes, in effect, an attempt by this House of Commons to amend and to change section 54 of the British North America Act. The British North America Act makes it quite plain that it is competent for any private member to originate, but not to seek to have passed, a bill that deals with financial measures, and this House is not competent on its own to repeal the British North America Act.

Under those circumstances I urge that on any one of those three grounds Your Honour might well allow the introduction of this bill. This would give the House the opportunity to discuss and to debate freely and honestly what in its opinion should be the proper duties of the Auditor General. This officer, who acts on behalf of the taxpayers of this country, must have some clarification of his role, some expansion of his independence and his objectivity, without which the sufferings of the taxpayers will continue ad nauseam.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to draw Your Honour's attention to just one precedent which I think can be presented in support of the position taken by the hon. member for Peace River (Mr. Baldwin). I believe it also goes directly to the question Your Honour raised, namely, whether the recommendation of the Governor General can float around in a vacuum and be picked up by anyone who wants to use it or whether it has to be attached to a particular measure.

I ask Your Honour to look at page 423 of the *Journals* of the House of Commons for Monday, May 19, 1947. For those of us who deal in procedural matters that is relevantly recent. It so happens that three days earlier, on May 16, we had tabled a petition signed by John Beckett of Winnipeg, Manitoba, and 256,282 other persons praying that the Old Age Pensions Act be amended. Our petition called for the pension, which was then $30 a month, to be raised to $50 a month, for payment to be made at age 65, for the means test to be eliminated, and for various other improvements to be made. Hon. members will realize that these requests involved the expenditure of money. Therefore there might be assumed to be some question whether a petition which asked for these changes could possibly be in order.

The page in the *Journals* to which I draw your attention records the report of the Clerk of Petitions on the petition that we had presented a few days earlier. I believe that the Clerk of the House of Commons is the Clerk of Petitions, and the Clerk of the House of Commons at that time was none other than Dr. Arthur Beauchesne. After citing the terms of our petition he said:

Although this petition prays for an increase in old age pensions, I submit that the Governor General having already recommended that the scope of the Old Age Pensions Act be amended to increase the amounts to be paid, the constitutional rule that petitions asking for an expenditure of public money are irregular does not apply in this case.

I find that all the requirements of Standing Order 68 have been complied with.

I feel quite certain that Dr. Beauchesne did not go to see the Governor General of that day to find out whether he supported our petition, but he took the view that there was a Governor General's recommendation in favour of an increase in old age pensions and therefore he found our petition in order. I submit there is an analogous situation before us now. There is a Governor General's recommendation that something be done in respect of the Auditor General, and now we have a bill that can make use of that recommendation.

Mr. Speaker: Order, please. If there is no further discussion on the matter I am quite prepared to give a ruling at this time. I have given serious thought to the matter in that the hon. member indicated a few days ago this bill would be introduced. As I said, I have given serious consideration to the procedural aspects of the hon. member's proposed bill and I am quite prepared now to give my views of the situation.

I have to recognize that the argument proposed by the hon. member for Peace River, gallantly supported by the hon. member for Winnipeg North Centre, is interesting but, I suggest, nothing more. I cannot in any way agree with the hon. member for Peace River. Again I say that he has to receive some kind of commendation from the Chair and those interested in procedure for the arguments which he has submitted for the consideration of the Chair and all hon. members, but I would not think hon. members would expect the Chair to accept those arguments. They point again to the difficulty relating to private members' bills. I fully appreciate this. I gather there have been discussions between representatives of the parties and that there is an intention to have the whole question of private members' public bills referred to the Committee on Procedure and Organization. This would include the bill of the hon. member for Peace River, apart from this one, which is on the order paper and which will bring the whole matter to the fore. It will then be possible for the Committee on Procedure and Organization to make recommendations to the House in respect of the handling of public bills introduced by private members.

• (2:30 p.m.)

The difficulty of course is that no hon. member, including a member of the Cabinet, can introduce a public bill which implies the expenditure of public funds without a recommendation of His Excellency. This applies not only to private members but to members of the government. They cannot introduce such a bill without the recommendation of His Excellency.

In the case of the Auditor General's bill such a recommendation was required. The bill was introduced to the House with the recommendation. It is of course a very novel approach to say that that bill having been withdrawn the recommendation is still available for anyone who desires to introduce a bill which might be called the same thing but which provides for something different. The hon. member I am sure would be the first to admit that his bill is not on all fours with the one which was presented by the government. Having admitted that himself, at this moment he has put himself out of court because it is a different bill. His Excellency recommended a bill which was different. He looked at that bill and said to us, "I have seen the bill and recommend it to the House", and it is that bill he recommended. That bill having been withdrawn I do not think it is necessary for His Excellency to communicate with us and ask us to return the recommendation.

The hon. member cannot deal with a bill once it has been withdrawn. There is no recommendation for the hon. member to seize upon and attach somewhat artificially to his own bill. This having been said I would say I cannot accept the hon. member's suggestion and I have to tell him that his bill cannot be read a first time at this time or at any time.

[Mr. Knowles (Winnipeg North Centre).]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

CREATION OF SPECIAL RESERVE AREAS IN CANADA'S NORTHLAND

Question No. 55—**Mr. Orlikow:**

Has the Government of Canada decided on which special reserve areas in Canada's northland in which resource development activity is to be banned and (a) if so (i) what are they (ii) what criteria were used to identify them (b) if not, when is it anticipated that they will be created?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): The Government of Canada and those departments responsible for development and for conservation in the north have not yet completed their studies of special reserve areas in which resource development activity is to be banned. There are certain areas now being investigated for national parks, special ecological areas under the auspices of the International Biological Program and archaeological sites which will be considered for withdrawal at a later date in an orderly schedule commensurate with present and future requirements. The Government of Canada is particularly cognizant of the need to protect the northern environment because of the critical sensitivity of this environment, and has accepted the principle that unique areas, unless they must be developed in the national interest, must be protected even if no immediate need for aesthetic appreciation or research can be justified. (a) (i) One of the areas withdrawn is the East Arm, Great Slave Lake (Artillery Lake) area consisting of approximately 2,860 square miles. This area was withdrawn from further alienation under the Territorial Lands Act on March 24, 1970. (P.C. 1970-526 and 527) for the purpose of a future

national park subject to consultation and agreement with the Indian people. Wood Buffalo National Park was established in 1922. The Thelon Game Sanctuary, established originally under the Northwest Game Act in 1927, is given protection from mining activity by exclusion, and it is not open for staking under the Canada Mining Regulations. There are 16 migratory bird sanctuaries in Canada's northland but these areas are not completely excluded from resource development. These sanctuaries were withdrawn under the Migratory Birds Convention Act. (a) (ii) The criteria used include: (a) Uniqueness of a particular area in terms of landscape, habitat for a particular species of animal or occurrence or other rare biotic or abiotic forms. (b) A specific area for withdrawal may be outlined as being representative of a much larger area which may be defined as units or sub-units of a physiographic area or land form which it is in the national interest to preserve. (c) Preservation of archaeological sites. (d) The potential of the area to meet the objectives set in Section 4 of the National Parks Act dedicating national parks to the people of Canada for their benefit, education and enjoyment. (b) Not applicable.

VISITS OF AMBASSADORS AND HEADS OF MISSIONS TO NORTHERN CANADA

Question No. 108—**Mr. Mazankowski:**

1. How many foreign ambassadors travelled to Northern Canada, visiting Norman Wells, Inuvik, etc., (a) during September, 1970 (b) during October, 1970?
2. Who were they and what countries did they represent?
3. What country hosted the tour?
4. What were the total expenses incurred by the tour?
5. What was the purpose of the tour?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. Ambassors and other heads and acting heads of mission (a) 20; (b) 19.

2. Tour No. 1 (September 23-29, 1970): Greece, His Excellency Aristide N. Pilavachi, Ambassador; Jamaica, His Excellency Vincent H. McFarlane, High Commissioner; China, His Excellency Yu-chi Hsueh, Ambassador; Colombia, His Excellency Luis Ernesto Ordonez, Ambassador; Swaziland, His Excellency Dr. S. T. M. Sukati, High Commissioner; Israel, His Excellency Ephraim Evron, Ambassador; Japan, His Excellency Shinyichi Kondo, Ambassador; Austria, His Excellency Dr. Eduard Schiller, Ambassador; Venezuela, His Excellency Wolfgang Larrazàbal, Ambassador; India, His Excellency A. B. Bhadkamkar, High Commissioner; Czechoslovakia, His Excellency Bretislav Matanoha, Ambassador; Brazil, His Excellency Frank Moscoso, Ambassador; Nigeria, His Excellency Edward O. Enahoro, High Commissioner; Afghanistan, His Excellency Abdullah Malikyar, Ambassador; Holy See, His Excellency the Most Reverend Guido del Mestri, Pro-Nuncio; Uruguay, Mr. Gualberto H. Urtiaga, Chargé d'Affaires a.i.; Ceylon, Mr. M. Rabot, Acting High Commissioner; Germany, Mr. Wilhelm Fabricius, Chargé d'Affaires a.i.; Thailand, Mr. Sirajaya Buddhi-Baedya, Chargé d'Affaires a.i.; Belgium, Mr. Jules Marchal, Consellor.

Tour No. 2 (October 5-11, 1970): Argentina, His Excellency Constantino Ramos, Ambassador; Lebanon, His Excellency Dr. Alif Gébara, Ambassador; Barbados, His Excellency C. B. Williams, High Commissioner; Netherlands, His Excellency Theo H. Bot, Ambassador; Bulgaria, His Excellency Kiril Chterev, Ambassador; Indonesia, His Excellency R. D. Bandoro, High Commissioner; Peru, His Excellency César A. De La Fuente, Ambassador; France, His Excellency Pierre Siraud, Ambassador; Turkey, His Excellency Irfan Tansel, Ambassador; Cuba, His Excellency Dr. José Fernandez de Cossio, Ambassador; Tunisia, His Excellency Dr. Abdelaziz Hamzaoui, Ambassador; Sweden, His Excellency Ake Malmaeus, Ambassador; Pakistan, His Excellency M. S. Shaikh, High Commissioner; Korea, His Excellency Pil Shik Chin, Ambassador; Spain, His Excellency Juan José Rovira, Ammassador; South Africa, His Excellency Matthys Izak Botha, Ambassador; Hungary, Mr. Gyula Baranyi, Chargé d'Affaires a.i.; Congo, Mr. Jean-Baptiste Mbila, Chargé d'Affaires a.i.; Portugal, Dr. Da Silva Preto, Chargé d'Affaires a.i.

3. Government of Canada.

4. The estimated cost of the two tours is $43,000, an amount which is being shared by three departments, National Defence, External Affairs and Indian Affairs and Northern Development. All the accounts have not been received, but it is likely that the actual costs could be slightly lower than the estimate.

5. The purpose of the tour was to provide heads of mission accredited to the Government of Canada with an opportunity to see at first hand something of the Canadian north and the developments taking place there. Throughout the world there is growing appreciation of the economic potential of the North and of its peculiar vulnerability to such environmental problems as pollution and erosion. As a result there is considerable interest abroad in the Canadian Government's determination to ensure that as the development of Northern Canada proceeds the environment and the well being of the people are protected. Often the problems involved are not well understood. It therefore seemed desirable that heads of mission in Ottawa see for themselves conditions in the Canadian north and the progress being made there both in terms of utilizing the natural resources and of improving living conditions through the provision of better education, housing and health services. It was hoped that in this way the heads of mission would be able to understand and report more fully to their governments on the policies that Canada is pursuing in its northern areas.

Although travel facilities in the North have improved greatly in recent years, it is still difficult for someone on his own to obtain a comprehensive view of the region in a brief period of time. Some assistance on the part of the Canadian Government was necessary and it was concluded that this could be provided most effectively by means of an organized tour.

Questions

WELLS DRILLED BY PANARCTIC OILS LIMITED IN CANADA'S NORTH

Question No. 195—**Mr. Saltsman:**

1. Since its inception, how many wells have been drilled by Panarctic Oils Limited in Canada's north and, in each case, where were these wells located?

2. What wells have been abandoned by Panarctic, and at what depths?

3. What is the estimated expenditure in the above well-drilling projects?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1 and 2.

Name	Location	Depth (feet)	Present Status
Panarctic Drake Point N-67	Melville Island		under active operations
Panarctic Sandy Point L-46	Melville Island	6,895	abandoned
Panarctic Marie Bay D-02	Melville Island	4,175	abandoned
Panarctic Drake Point L-67 (first relief well)	Melville Island	10,671	suspended gas well
Panarctic Towson Point G-67	Melville Island	5,123	abandoned
Panarctic Hoodoo Dome H-37	Ellef Ringnes Island	11,072	abandoned
Panarctic Homestead Hecla J-60	Melville Island	11,865	abandoned
Panarctic Drake Point K-67 (second relief well)	Melville Island		under active operations
Panarctic King Christian D-18	King Christian Island		under active operations
Panarctic Amund Central Dome H-40	Amund Ringnes Island		under active operations

3. According to information received from Panartic Oils Ltd., all-inclusive gross costs applicable to the six wells that have been completed or abandoned are approximately $11.9 million.

DEBT OWED BY CEYLON TO CANADA

Question No. 280—**Mr. Robinson:**

What debt, if any, is owed by Ceylon to Canada and what are the terms of repayment?

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): The answer in so far as CIDA is concerned, is $11,000,000 comprised of nine development loans. Two development loans amounting to $2,500,000 have a repayment period of 50 years with a grace period of ten years and a service and commitment charge of ¾ of 1 per cent. The remaining seven loans amounting to $8,500,000 have a repayment period of 50 years, a grace period of ten years and an interest rate of 0 per cent.

POSITION OF MR. S. SIDDIQI—DEPARTMENT OF SUPPLY AND SERVICES

Question No. 288—**Mr. Orlikow:**

1. Does Mr. S. Siddiqi work for the Department of Supply and Services and, if so, in what position?

2. What are the responsibilities and functions of Mr. Siddiqi's position?

3. When did Mr. Siddiqi join the Department?

4. Has Mr. Siddiqi been seconded on loan for nine months to the Air Industries Association of Canada and, if so, who is paying Mr. Siddiqi's salary during that period of time?

[Mr. Buchanan.]

Hon. James Richardson (Minister of Supply and Services): 1. Yes. Project Officer, Shipbuilding and Heavy Equipment Branch.

2. Procurement of technically complex systems, products and services with duties requiring the conduct of all phases of the purchasing cycle, including planning, facility and bid evaluations, contract negotiations and document control and related administration.

3. July 24, 1967.

4. Yes. Mr. Siddiqi's salary is paid by the Department of Supply and Services and the full amount is recovered from the Air Industries Association of Canada. The loan of Mr. Siddiqi to the Association is in keeping with the Government's policy of interchange of Government employees with personnel from the private sector.

DEBT OWED BY JAMAICA TO CANADA

Question No. 329—**Mr. Fortin:**

How much does Jamaica owe Canada and what are the repayment terms?

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): In so far as CIDA is concerned, the answer is: $10,000,000 comprised of thirteen development loans. Eight loans amounting to $5,475,000 have a maturity of fifty years, a grace period of ten years and a service and commitment charge of ¾ of 1 per cent. Four loans totalling $4,025,000 have a maturity of thirty years, a grace period of seven years and an interest rate of 3 per cent. The last remaining loan in the amount of $500,000 has a maturity of twenty-

three years, a grace period of seven years and an interest rate of 3 per cent.

[*English*]

FUTURE OF CANADIAN EXCHANGE RATE

Question No. 410—**Mr. Saltsman:**

Will the Government of Canada give assurance to Parliament that the Canadian exchange rate will be allowed to remain on a floating basis for the next twelve months?

Hon. E. J. Benson (Minister of Finance): No. It remains the intention of the Canadian Government to resume the fulfilment of its obligations under the Articles of Agreement of the International Monetary Fund as soon as circumstances permit.

CANADIAN WILDLIFE SERVICE—RESEARCH MADE ON SHOT SHELLS

Question No. 442—**Mr. Anderson:**

1. Has the Canadian Wildlife Service made any report on the use of iron shot or teflon coated lead shot in shot shells to replace the untreated lead shot now in use?

2. Has the Canadian Wildlife Service set a date after which the sale and manufacture of untreated lead shot shells is prohibited and, if so, what is that date?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. No. Research in materials to replace lead in shot shells was conducted by the U.S. Bureau of Sport Fisheries and Wildlife. The Canadian Wildlife Service, in co-operation with the National Research Council, is conducting tests on the effect of hard shot materials on gun barrels. The preliminary results of those studies are contained in a National Research Council report DME MP-53.

2. No. A date has not been set because at the present time there is no known method of treating lead shot to eliminate or reduce its toxicity.

SALE OF LICENCES FOR HUNTING OF POLAR BEARS

Question No. 467—**Mr. Coates:**

1. Have complaints been received by the Department of Indian Affairs and Northern Development with regard to the sale of licences for the hunting of polar bears?

2. What are the regulations for the hunting of polar bears and what is the licence fee?

3 How many polar bears have been killed through the issuing of hunting licences by the Department in the past five years?

4. Is there any danger that the polar bear will become extinct and, if so, what action is being taken to protect the species?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. Yes, for the sports hunting of polar bears.

2. An amendment to the NWT Game Ordinance allowing the sports hunting of polar bear was passed by the Council of the Northwest Territories in January 1970. The amendment permits the sale of a polar bear sports hunting licence to three classes of subject, namely: (a) Territorial residents charged a fee of $50; (b) Canadian citizens charged a fee of $150; and (c) non-resident aliens charged a fee of $250. A licence holder must be accompanied by a licensed guide who is in possession of a polar bear seal. This is to ensure that the number of animals to be taken by sport hunters will be deducted from the present quota allowed to holders of general hunting licences. Therefore, under the legislation a sport hunter must buy his licence from the Territorial Government hire an Eskimo guide and outfitter who is in possession of a polar bear seal indicating that one animal from the settlement quota has been assigned to him by the settlement council, and also pay the settlement council a fee of $1,000 for releasing that part of their quota to him as the quota is granted to the settlement, not to individuals.

3. Licences for the sport hunting of polar bear are issued under the Northwest Territories Game Ordinance and as the legislation was only passed in January 1970, it is impossible to give a total over the past five years. Since January 1970, four (4) polar bears have been killed through the issuing of sports hunting licences.

4. No, at a recent international meeting of polar bear scientists it was determined that under the quota system Eskimo hunting does not now threaten the survival of the polar bear population. However, concern was expressed about specific subpopulations and as a result the Canadian Wildlife Service, in cooperation with the Northwest Territories Government, is continuing studies of the polar bear population and distribution and a complete review of the kill limit and the quota allotment to various settlements is to be carried out in 1971.

INCOME TAX AMENDMENT TO ALLOW REPRESENTATION ALLOWANCES FOR SCHOOL COMMISSIONERS

Question No. 507—**Mr. Rodrigue:**

Has the Minister of Finance considered the possibility of amending the Income Tax Act so that part of the amount received by school commissioners be considered as a representation allowance?

Hon. E. J. Benson (Minister of Finance): Deductions from income for tax purposes are a matter of Government policy. If the Government should decide to propose an amendment to the Income Tax Act to make the suggested change, it will be announced at the appropriate time.

LABELLING OF "VAPONA"

Question No. 508—**Mrs. MacInnis:**

Does the Department of Agriculture intend to take action similar to that in the United States by requesting that the manufacture of "VAPONA", Shell Oil Company, include warnings on labels that the strips should not be used in kitchens, dining rooms or food preparation areas and, if not, what are the reasons?

Hon. H. A. Olson (Minister of Agriculture): No, since conclusions drawn from collaborative evaluation of toxicological and residue data by the Department of Agriculture and the Food and Drug Directorate, Department of National Health and Welfare, have reconfirmed that the use of these strips, in accordance with label directions, does not represent a hazard to human health.

Inquiries of the Ministry

DEPARTMENT OF AGRICULTURE—REDUCTION IN MAN-HOURS AS A RESULT OF UTILIZATION OF COMPUTERS

Question No. 535—**Mr. Robinson:**

How many man-hours have been saved as a result of the utilization of computers by the Department of Agriculture during each year since computers have been used?

Hon. H. A. Olson (Minister of Agriculture): Records are not maintained in such a manner as to provide this information. The computer is used extensively in the Department as a tool for research, much of which would not be possible without this facility.

DEPARTMENT OF AGRICULTURE—LAY-OFFS AND HIRINGS AS A RESULT OF USE OF COMPUTERS

Question No. 536—**Mr. Robinson:**

As a result of the use of computers by the Department of Agriculture how many employees have been (a) laid off (b) hired?

Hon. H. A. Olson (Minister of Agriculture): (a) Nil; (b) 228.

ORAL QUESTION PERIOD

UNEMPLOYMENT INSURANCE

EXTENSION OF BENEFITS ON INTERIM BASIS—TERMINATION OF PAYMENTS DURING WINTER MONTHS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Labour. Are he and the government giving any consideration to a measure to extend the period of benefits under unemployment insurance on an interim basis in view of the difficulties we face this winter? I ask this question because a few weeks ago he indicated he preferred employment to unemployment insurance benefits, which we all accept, but since the government has recognized the importance of increasing benefits, is the government now prepared to recognize the importance of extending these benefits on an interim basis?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, because of the particular season of the year, from December 15 on we have what are known as seasonal benefits which make it much easier to extend the duration of the normal benefits that we would expect to be in force at other times of the year. I feel we have enough latitude in that regard because of the seasonal benefit feature which permits a relaxation of the normal attachment to unemployment insurance, and that we should proceed in the proper manner, by increasing the benefits rather than by extending the duration of the benefits.

Mr. Stanfield: Has the minister had prepared an estimate of the number of persons on unemployment insurance who will have to go off it in the course of the winter months because their benefits will expire even with the seasonal arrangements he has suggested?

[Mr. Olson.]

Mr. Mackasey: Mr. Speaker, the estimate of the number of people on unemployment insurance is at the best an estimate which is usually made by the Unemployment Insurance Commission in conjunction with the Dominion Bureau of Statistics and is usually based on the experiences of previous years. Whether or not people will be removed from the rolls during the winter months depends, of course, on the type of work attachment and the number of stamps presently in the person's book, but it is not the policy of the Unemployment Insurance Commission to apply these rules with any degree of severity in the winter months, particularly in respect of those who come under the seasonal benefit arrangement.

Mr. Stanfield: Mr. Speaker, would the minister obtain from the Unemployment Insurance Commission the commission's estimate of what the situation may be and would he at a convenient opportunity give this information to the House?

Mr. Mackasey: I certainly can inquire whether it is at all possible to obtain this information with any degree of accuracy. Of course it is based on the labour attachment of the claimants when they first come into the plan. It is difficult to inform the House with any degree of accuracy but at least I will try.

INTEGRATION WITH MANPOWER OFFICES

Mr. A. D. Hales (Wellington): Mr. Speaker, I have a supplementary question for the Minister of Labour. In view of the fact that the Unemployment Insurance Commission offices are separate from the Manpower offices, would the minister advise the House whether he is taking any steps toward co-ordinating or integrating these two departments?

Hon. Bryce Mackasey (Minister of Labour): The degree of co-ordination is not to be measured by the physical presence of Manpower and the Unemployment Insurance Commission in the same building. I would say we have never had more co-ordination or co-operation than in recent months.

* * *

MANPOWER

EXTENSION OF UPGRADING PROGRAM—ALLOCATION OF FUNDS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Has the government taken a decision yet on the extension of the manpower upgrading program which is complementary to the government plan to increase unemployment insurance benefits? If so, can he state whether a plan has been devised to allocate these funds by provinces?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the part of the decision that has been taken in this regard is well known to the House. No further decision has been taken.

Mr. Speaker: The hon. member for Vancouver-Kingsway.

Mrs. MacInnis: Mr. Speaker—

Mr. Speaker: Order, please. I have recognized the hon. member for Vancouver-Kingsway. I shall return to the hon. member for St. John's East in a moment.

[*Later:*]

Mr. Speaker: I believe the hon. member for St. John's East has a supplementary to a previous question.

Mr. McGrath: Yes, Mr. Speaker. I would like to direct a supplementary question to the Minister of Manpower and Immigration because I do not think the minister understood my question in the first instance. In light of the serious anticipated increase in unemployment, has the government reached a decision yet on extending substantially the manpower upgrading program and, if so, has a plan been devised whereby funds for this program will be allocated by provinces?

Mr. Lang: I will be glad to repeat my answer so that the hon. member may now understand it. I indicated that additions to our program in this area have been previously announced to the House. In answer to his question, no further decisions beyond that announcement have been taken.

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STATUS OF WOMEN

COMMISSION RECOMMENDATIONS—NATIONAL DAY CARE ACT—ABORTION

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to direct my question to the Prime Minister. In view of the strong recommendation of the Royal Commission on the Status of Women for the adoption of a national day care Act, is the government prepared to take immediate steps to secure the agreement of the provinces to the enactment of such legislation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the report has just been tabled this afternoon. Cabinet only took cognizance of it last Thursday. We wish to conduct the usual study before making any statement on it. Of course, as the hon. member knows, under the Canada Assistance Plan we are already participating in the payment for day care centres set up by the provinces.

Mrs. MacInnis: Is the government prepared to introduce legislation this session to effect changes in the Criminal Code relating to abortion which are in line with the commission's recommendations?

Mr. Trudeau: The same answer, Mr. Speaker.

Mrs. MacInnis: Mr. Speaker, I wish you would not abort me before I ask one more question. In view of the fact that the report was three years in the making and its recommendations on this matter are very definite, could the Prime Minister tell us how soon we may expect legislation?

Mr. Speaker: It seems to me that the hon. member is repeating substantially the question asked previously.

Inquiries of the Ministry

REQUEST FOR STATEMENT ON DISPOSITION OF ROYAL COMMISSION REPORT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I ask the Prime Minister how soon we may expect some statement from the government as to what disposition it intends to make of this report, whether the report will be sent to a standing committee of the House or whether the government intends to bring down legislation directly to implement some of the recommendations? Will a statement be made in the near future by the government regarding the report?

Right Hon. P. E. Trudeau (Prime Minister): First we will consider the report; then we will announce to the House what course we will follow.

COMMISSION RECOMMENDATIONS—EMPLOYMENT OF WOMEN IN PUBLIC SERVICE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Prime Minister if particular attention will be given at an early date to the recommendations regarding the employment of women in the Public Service which, after all, is a matter which comes completely within the federal purview?

Right Hon. P. E. Trudeau (Prime Minister): I do not know how long members of the opposition have had this report in their hands but we have just received it; therefore I cannot answer all these questions.

Mr. Knowles (Winnipeg North Centre): May I rise on a point of order, Mr. Speaker. The Prime Minister said the government has had the report since last Thursday—we have had it for only half an hour.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

ALLEGED INFILTRATION OF FLQ CELLS

Mr. René Matte (Champlain): Mr. Speaker, I should like to direct a question to the Prime Minister.

Can he tell the house if RCMP officers were or are still infiltrated in FLQ cells?

* * *

[*English*]

LABOUR CONDITIONS

MEETING WITH PROVINCES ON POSSIBILITY OF RAISING MINIMUM WAGES

Hon. George Hees (Prince Edward-Hastings): I would like to address a question to the Prime Minister. As the information which has been the result of the hearings of the Senate Committee on Poverty clearly indicates that more than half of the nearly five million people living in poverty in Canada are working, most of them for minimum wages, is it the intention of the government in the

near future to hold a meeting with representatives of the provinces to discuss the possibilities of raising minimum wages all across Canada to a point where recipients and their families can emerge from poverty?

Right Hon. P. E. Trudeau (Prime Minister): I am sure the provinces heard the representation of the hon. member.

Mr. Hees: I wonder whether the Prime Minister would hear my representation in this supplementary question. When will he start doing as much to help those who are willing to work for a living as those who are unwilling to work for a living?

Mr. Speaker: Order, please.

Mr. Hees: I must say to him that if I ever have need of a heart transplant—

Mr. Speaker: Order, please.

* * *

GRAIN

DISCUSSIONS WITH ELEVATOR COMPANIES ON POSSIBLE REDUCTION IN STORAGE RATES

Mr. Cliff Downey (Battle River): My question is for the minister in charge of the Wheat Board. In view of the proposed termination of the Temporary Wheat Reserves Act and bearing in mind that there is no need for additional grain storage facilities in Canada in the foreseeable future, could the minister say whether any discussions have taken place or are taking place with the elevator companies regarding a possible reduction in grain storage rates?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Of course, discussions on rates go on periodically in light of all the circumstances which occur. Some discussions have in fact taken place in the not too distant past.

Mr. Downey: Could the minister indicate to the House whether there is any possibility of reductions?

Mr. Lang: It is really premature to comment on the new circumstances which will occur. Over the years the companies have tended to indicate that the storage rates have been higher and the handling rates lower than were required in economic terms. Of course, while there may be a lower amount of grain in storage, it is also anticipated that there will be a higher amount of grain moving through the facilities, and it is my hope that this will in a large way offset the problem for the companies.

REQUEST THAT MARKETING OF RYE, FLAX AND RAPESEED BE BROUGHT UNDER WHEAT BOARD

Mr. A. P. Gleave (Saskatoon-Biggar): In view of the statement at the annual meeting of the Saskatchewan Wheat Pool that the marketing of rye, flax and rapeseed should be brought under the operations of the Canadian Wheat Board, and in view of the unsatisfactory operation of the futures market in recent months in regard to rapeseed, will the minister take the necessary steps to implement the request of the Saskatchewan Wheat Pool?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Some time during the course of last winter a committee studied the question of the marketing of oilseeds particularly. That committee did not come down with a flat recommendation along the lines suggested by the Saskatchewan Wheat Pool but did indicate some need for further study into this question. We have asked that same committee to study the question further with a view to perhaps shedding further light on the question.

Mr. Gleave: May I then ask the minister whether the fact that he officiated at the opening of the rapeseed futures market at Thunder Bay indicates his support of that type of marketing?

Mr. Speaker: Order, please.

PRODUCTION AND RECEIPTS POLICY—RECONSIDERATION OF PROPOSALS

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): My question is directed to the minister reporting to the House for the Canadian Wheat Board. It is related to the one just put by the hon. member for Battle River. In view of the statement from the president of the Saskatchewan Wheat Pool emanating from the just concluded annual meeting of the pool to the effect that the delegates felt that the minister's stabilization plan was woefully inadequate, will the minister give consideration to a complete overhaul of his proposals at the earliest possible date?

Hon. Otto E. Lang (Minister of Manpower and Immigration): The whole point of the proposals in their form was to have discussions with producers and producers organizations. I can tell the hon. member that the statement he has quoted does not represent the general consensus of farmers who have looked at the proposals and the benefit they can bring to prairie agriculture.

PRODUCTION AND RECEIPTS POLICY—PAYMENTS TO FARMERS

Mr. S. J. Korchinski (Mackenzie): In view of the fact that the press is leaving the wrong impression that western farmers are to receive $100 million under the grain proposals when in fact there will be a corresponding reduction in storage of $70 million and $20 million under the 3 per cent deduction—

Mr. Speaker: Order, please. Will the hon. member ask a question. He has the floor for the purpose of asking a supplementary question.

Mr. Korchinski: I want to lay the foundation for my question. Since there will also be an undetermined amount for interest payments, will the minister be making an announcement on a program which will in fact put real cash into the depressed western economy?

Hon. Otto E. Lang (Minister of Manpower and Immigration): I almost have to lay the foundation for my answer by saying that some of the conclusions of the hon. member are incorrect in view of the fact that the temporary Wheat Reserves Act money, for instance, by and large went to the handling companies rather than to farmers—

Mr. Speaker: Order, please. Obviously this is a debate between the hon. member and the minister.

[*Later:*]

Mr. Korchinski: Mr. Speaker, in reply to an earlier question of mine the minister responsible for the Wheat Board indicated that the elevator companies were receiving the payments. Are we to assume that under the new plan the elevator companies will no longer be paid for storage?

Mr. Lang: Mr. Speaker, the point I was making, of course, was that the amount of money in question had not found its way into the hands of the farmers. The plan will be that far less grain will in fact be in storage so that the expense will not be incurred. On the other hand, the $100 million which will be going forward to the farmers will be received by them.

* * *

CONSUMER AFFAIRS

PROPOSED INCREASE IN AUTOMOBILE INSURANCE RATES—EVIDENCE OF COLLUSION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I direct a question to the Minister of Consumer and Corporate Affairs. In view of the statement by the president of the Canadian Underwriters Association to the effect that there will be a substantial increase in car insurance rates for 1971, and the literature which is sent out by the Insurance Bureau of Canada telling Canadians to get ready for very sharp increases in automobile insurance, may I ask the minister whether his department or any of its agencies are looking into the question of auto insurance rates to see whether or not any increase for 1971 would be fully warranted?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): The insurance industry is examined from time to time by the Combines Investigation Branch for any breach of that Act, but as the hon. member knows the Act does not deal with whether or not price increases are warranted.

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I ask whether the restrictive Trade Practices Commission or the Prices and Incomes Commission have taken a look at these car insurance rates to see whether or not there is any collusion between the various companies, and are they investigating to see why the rates charged in Saskatchewan are substantially lower than the rates charged in other provinces and whether this is by design or because of some difference in cost? If they are not looking into the aspect of collusion, will the minister undertake to see that they do and report back to the House?

Mr. Basford: The question went all over the place, Mr. Speaker, including Saskatchewan. The Combines Investigation Act, with which I trust the hon. member is familiar, deals with the question of price conspiracies or price collusion. If there is evidence of that, then there is a breach of the Combines Investigation Act.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. I raised this matter last year and the minister undertook to have the Combines Investigation Branch look into the question. Has the minister received any report and is there any evidence of collusion?

Mr. Basford: Mr. Speaker, it is my practice, as it was of all my predecessors, not to reveal the results of inquiries except by laying charges in court or, as the Act requires, by inclusion in the annual report of the director.

[*Later:*]

Mr. Speaker: I believe the hon. member for Peace River has a supplementary to the previous question.

Mr. G. W. Baldwin (Peace River): Yes, Mr. Speaker, I should like to ask the Minister of Consumer and Corporate Affairs if we are to assume from his answers that the role of the Prices and Incomes Commission will be, to use the vernacular, restricted to that of "bird watching"?

* * *

[*Translation*]

AIRPORTS

STE. SCHOLASTIQUE—NUMBERS OF JOBS TO BE CREATED

Mr. Roland Godin (Portneuf): Mr. Speaker, I should have liked to put a question to the Minister of Transport, but in his absence I will direct it to his parliamentary secretary.

In connection with the statement made yesterday in Lachute by the President of the Quebec Federation of Labour, Mr. Louis Laberge, is it true that only 2,000 new jobs will be created as a result of the opening of the new international airport in Ste. Scholastique instead of 5,000 as already announced by the government?

Mr. Speaker: The hon. member for Portneuf will admit that the question, as put, is out of order. He is asking the government to confirm or deny a statement made outside the House, and under those conditions, the question cannot be accepted.

Inquiries of the Ministry

[*English*]

EXTERNAL AFFAIRS

PROPOSED AMCHITKA UNDERGROUND NUCLEAR TESTS—REPRESENTATIONS TO UNITED STATES GOVERNMENT

Mr. D. W. Groos (Victoria): Mr. Speaker, I should like to ask the Prime Minister if he will have the Minister for External Affairs report to the House on his return whether he has made representations to the United States government expressing our concern over the forthcoming Amchitka underground nuclear tests and, if so, would he report the result of those representations? This is particularly timely not just because of the expected date of the tests but also because of public statements recently by eminent scientists in California warning of the dangers of a test of such magnitude triggering other earth tremors of far-reaching proportions.

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the minister is returning tonight from Europe and I am sure he will take action on the hon. member's question at the first opportunity.

* * *

[*English*]

IMMIGRATION

INQUIRY AS TO TABLING OF WHITE PAPER

Hon. Marcel Lambert (Edmonton West): I have a question for the Minister of Manpower and Immigration, Mr. Speaker. Earlier this fall the minister promised a white paper on immigration with projected changes foreseen by him in the Immigration Appeal Board. It is now December 7 and the white paper has not appeared. Is the minister in a position to confirm that he will be tabling the white paper between now and the Christmas adjournment or is to be delayed until the new year?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I do not expect to be in a position to take any such action between now and the adjournment.

Mr. Lambert (Edmonton West): In light of the increasing pressure of the problems dealing with immigration, can the minister give us an idea when in the new year he will be tabling that white paper?

Mr. Lang: The more relevant urgency, of course, to which the hon. member referred, is the issues which require amendments to the immigration Appeal Board Act which have been mentioned. Work is going forward on proposals in this regard on an urgent basis and I hope we can see some concrete move within the House on this matter early in the new year.

[Mr. Speaker.]

PROVINCIAL AFFAIRS

FINANCIAL ASSISTANCE FOR FEASIBILITY STUDY OF UNION OF NEWFOUNDLAND AND PRINCE EDWARD ISLAND

Mr. Heath Macquarrie (Hillsborough): I should like to direct a question to the right hon. Prime Minister, Mr. Speaker. As Premier Smallwood of Newfoundland has declared that he is opposed to any union of his province with the three Maritime provinces but is strongly in favour of a union of Prince Edward Island and Newfoundland, can the Prime Minister advise if the government of Canada is prepared to give to a feasibility study of a Newfoundland-Prince Edward Island union a degree of financial assistance commensurate with that given to the maritime union study?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the premiers of those two provinces were to indicate their desire to embark upon a feasibility study, of course we would consider such a request with as much attention as any other.

* * *

[*Translation*]

UNITED NATIONS

RESOLUTION RESPECTING REFUSAL OF ASYLUM TO KIDNAPPERS OF POLITICAL FIGURES

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have a question for the Prime Minister.

Could he tell us whether he intends to consider the suitability of sponsoring at the United Nations a resolution inviting all member states to refuse the right of asylum to kidnappers of politicians, in order to curb the recent rash of such kidnappings?

Right Hon. P. E. Trudeau (Prime Minister): I have not considered the matter, Mr. Speaker, but like the minister's Parliamentary Secretary, I will refer it to him upon his return.

* * *

[*English*]

POWER

RECONSIDERATION OF POSSIBILITY OF USE OF BAY OF FUNDY TIDES

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I should like to ask the Prime Minister if he will give consideration to requesting the Minister of Energy, Mines and Resources to re-evaluate the evidence available to his department on the power possibilities of the Fundy tides and thus lessen the adverse reaction his reply brought last week?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I shall ask the minister to read this question and see if he has an answer for it.

UNITED NATIONS

CANADIAN POSITION RESPECTING INTERVENTION IN GUINEA BY PORTUGUESE ARMED FORCES

Mr. David Lewis (York South): Mr. Speaker, in the absence of the Secretary of State for External Affairs may I direct a question to the Prime Minister. In view of the report to the Security Council by a special commission of the United Nations to the effect that the recent fighting in Guinea was assisted by regular armed forces of Portugal, has the government instructed our representative at the United Nations to prepare some steps and to propose some action against Portugal for this alleged aggression?

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, it seems that the members of the Security Council are considering at the present time the draft of a resolution and that the Canadian government representatives with the United Nations are watching the situation closely.

I would like to remind the hon. member that the Canadian government has time and again expressed its opposition to the continuance of Portuguese colonialism in Africa. The Canadian government's position is well known to Portuguese authorities.

[*English*]

Mr. Lewis: Mr. Speaker, I know the government's position, of course. Portugal is also a member of NATO, as is Canada, and may I ask the Parliamentary Secretary whether it is the intention of the government or the minister to take the position that NATO should censure Portugal and perhaps consider its expulsion from that organization for this alleged aggression?

Mr. Diefenbaker: I hope not.

[*Translation*]

Mr. Ouellet: As I said earlier, Mr. Speaker, the Secretary of State for External Affairs will be in the House tomorrow probably, but certainly Wednesday, and he will answer the question.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

ARGENTIA, NFLD.—REPORT ON EFFECTS OF CLOSING OF UNITED STATES NAVAL STATION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, on December 3 I asked the Minister for Regional Economic Expansion a question concerning the report of a task force appointed by him to investigate economic conditions in Argentia, Newfoundland. Can the minister say whether that report has been presented?

Inquiries of the Ministry

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): That report was submitted a few months ago, Mr. Speaker. The question is whether it has been followed up. It has for a large part. Some recommendations were accepted, in particular those relating to the renovation of the castle in Hill National Historic Park, to the rebuilding of a road at Long Harbour, and to the building of a fish factory.

The other recommendations are now under consideration and they will be put into application as soon as they are accepted.

[*English*]

Mr. Carter: I thank the minister for his reply but I should inform him that the big plan announced on July 6—

Mr. Speaker: Order, please.

* * *

EXTERNAL AFFAIRS

REQUEST THAT PRIME MINISTER VISIT PEOPLES REPUBLIC OF CHINA

Mr. Barry Mather (Surrey): Mr. Speaker, I have a question for the right hon. Prime Minister. Having in mind the agreement of recognition between this country and the Peoples Republic of China and the potential value of peaceful trade that may result from it, would the Prime Minister consider making a trip to the Peoples Republic of China in the coming year?

Right Hon. P. E. Trudeau (Prime Minister): I thank the hon. member for his suggestion, Mr. Speaker, and I shall consider it in due course.

* * *

NATIONAL SECURITY

STATUS OF KIDNAPPERS OF JAMES CROSS

Mr. Bruce Howard (Okanagan-Boundary): Mr. Speaker, may I ask a question related to an answer that was given on Friday by the Minister of Justice. My question is directed to the Minister without Portfolio in charge of citizenship. Has he reviewed the answer given by the Minister of Justice concerning the citizenship of the kidnappers of James Cross? Also, is it his intention to recommend to the government that the citizenship of these criminals ought to be cancelled?

Hon. Robert Stanbury (Minister without Portfolio): Mr. Speaker, the matter has been considered. It would require a special Act of Parliament. It seems unlikely, however, that these persons would have any opportunity of enjoying any of the privileges of Canadian citizenship without subjecting themselves to the discipline of Canadian law. I am not sure, in the circumstances, whether these people warrant the devotion of any more time and attention by this House.

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. May I ask the minister, who seems to be fully informed on the subject, whether these people would be travelling with Canadian passports?

Mr. Stanbury: Mr. Speaker, that question ought to be directed to the Secretary of State for External Affairs.

Mr. Stanfield: Mr. Speaker, no doubt it should be. I will take up the matter with him.

Mr. Howard (Okanagan Boundary): A supplementary question, Mr. Speaker. In view of the effect of the statute of limitations, under which the opprobrium of the country may be rendered ineffective after seven years, would it not be reasonable for the government to cancel the citizenship of these persons in order to avoid the possibility of their returning to Canada?

Mr. Speaker: Order, please. That is an argument, not a question.

Mr. Lincoln M. Alexander (Hamilton West): A supplementary question, Mr. Speaker. Since the minister has indicated that this could only be done by introducing a special Act of Parliament, can the minister advise us whether the government has ruled out the introduction of such an Act in order to cancel the citizenship of these people?

Mr. Stanbury: No, Mr. Speaker. The government as a whole has not given consideration to this step, although I have examined it. If the hon. member or others wish to make any representations on this subject, we shall be glad to receive them.

* * *

CANADIAN BROADCASTING CORPORATION

HIRING OF UNITED STATES CITIZEN AS PUBLIC RELATIONS OFFICER

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct a question to the Secretary of State. I hope that he will be able to resume his seat in time to answer it. About a week ago, Mr. Speaker, I asked his Parliamentary Secretary if, before hiring an American citizen to head the public relations department of the CBC, the government had considered all other possibilities. I further asked if he would inform the House as to whether this same individual had until recently been an employee of the United States consulate. At that time the Parliamentary Secretary informed the House that the Secretary of State would provide an answer.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, when the question was asked I was away on a mission abroad. I have not seen my Parliamentary Secretary since I returned, therefore I am not aware of what the hon. member is saying. I shall look into the matter before giving him an answer.

[*English*]

ENVIRONMENTAL AFFAIRS

INQUIRY AS TO INTRODUCTION OF LEGISLATION TO ESTABLISH DEPARTMENT

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, may I direct a question to the Government House Leader. Since he is just leaving the opposition benches, may I, in the meantime, direct it to the Prime Minister. Can the right hon. gentleman tell us when we can expect legislation to establish the proposed department of the environment which was recommended earlier in the session? Could we have an answer to that question?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, we expect to give notice of this very shortly, possibly today or tomorrow.

Mr. Lundrigan: A supplementary question to the Minister of Public Works, Mr. Speaker. May I ask the Minister of Public Works whether the functions of his department relating to the establishment of public works facilities for the fishing industry of Canada will be transferred to the new department of the environment?

Mr. Speaker: Order, please. I think that in asking a detailed question of this kind the hon. member is anticipating an order of the day.

* * *

HEALTH

INCLUSION OF PARAMEDICAL SERVICES UNDER MEDICARE

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, the Minister of National Health and Welfare looks relatively relaxed today so I shall direct a question to him. Would the minister kindly define what he means by "consensus", as that word applies to the inclusion of paramedical services under medicare?

Mr. Speaker: Order, please. For the time being the minister will have to continue resting.

Mr. Rose: Mr. Speaker, may I rephrase my question.

An hon. Member: Yes, the hon. member should.

Mr. Speaker: Does the hon. member wish to rephrase his question?

Mr. Rose: Mr. Speaker, I will do my best. May I ask the minister whether he does not feel that the inclusion of paramedical services under medicare ought to be proceeded with in a manner identical to that followed in the case of medicare itself, that is, by allowing each province to enter the scheme when it felt it was ready to do so?

Mr. Speaker: Order, please. I am still doubtful about the question as asked from a procedural standpoint. The hon. member is making a proposition or suggestion to the House. I think a question asked in those terms is not in order. Perhaps the hon. member might give the matter some further thought. For the moment, I will recognize the hon. member for Humber-St. George's-St. Barbe.

CANADIAN BROADCASTING CORPORATION

EXTENSION OF TELEVISION COVERAGE TO NORTHWESTERN NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Secretary of State. In view of continuing delays in the extension of television coverage to remote parts of Canada, especially northwestern Newfoundland, and in the light of the evidence of the relaxation of austerity measures, will the minister ask for an immediate review of the situation so that these areas may be afforded this communications media as quickly as possible?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, the facts and situations in remote areas of Canada are continuously under review. The Corporation makes constant efforts to reach these far off places. The percentage of those that have not been reached yet declines every year.

* * *

[*English*]

NATIONAL MUSEUMS

EXAMINATION OF FINANCIAL ADMINISTRATION BY COMMITTEE OF THE HOUSE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I ask the Secretary of State whether, in view of the disturbing charges made by the hon. member for Battle River with respect to the administration of the museum branch following the presentation to the House of a motion under Standing Order 43, he is considering referring this matter to the appropriate committee of the House for examination?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Unfortunately, Mr. Speaker, I do not know exactly what the Leader of the Opposition is referring to, but one thing is certain and I keep reminding hon. members of it, the Committee on Broadcasting, Films and Assistance to the Arts, in the course of its forthcoming sittings, may well discuss any matter relating to broadcasting, films and assistance to the arts. I am positive that if the committee feels that the point made by the Leader of the Opposition is important, it will be put on its agenda and hearings will be held on the matter.

[*English*]

Mr. Stanfield: A supplementary question, Mr. Speaker. May I assume from the reply of the Secretary of State to my question that he has not conducted any investigation himself into the charges made by the hon. member for Battle River?

[*Translation*]

Mr. Pelletier: No, Mr. Speaker. I merely said that, unfortunately, the charges brought by the hon. member for Battle River are a mystery to me, for the time being, perhaps because I cannot remember now who is the member for Battle River.

[*English*]

Mr. Cliff Downey (Battle River): A supplementary question, Mr. Speaker. Is the Secretary of State not aware of the great increases in administrative costs, travel expenses, and in other areas in the past year or so which have taken place in the museums' branch. Has he not looked into this matter at all?

An hon. Member: This is not a slow growth area.

[*Translation*]

Mr. Pelletier: Oh! I see, Mr. Speaker. It comes back to me now and I beg the hon. member to excuse me.

Indeed, there is an inquiry going on on this subject and, of course, it is conducted by the Museum Society that will ultimately send me a report. This is therefore a question which is before the Board of Trustees of the National Museums for consideration.

* * *

[*English*]

HEALTH

REDUCTION IN GRANTS TO NATIONAL CANCER INSTITUTE

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Why have grants to the National Cancer Institute been reduced, and what is the government's intention with regard to this and other grants this year?

Mr. Speaker: Order, please. The hon. member's question should be placed on the order paper.

INCLUSION OF PARAMEDICAL SERVICES UNDER MEDICARE

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, if I get up any more, I shall need the assistance of paramedical services myself. I shall try again. Is the minister considering allowing paramedical services to be included in medicare on a province by province basis?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, may I advise the hon. member that a federal-provincial conference of health ministers is to take place this week to deal with the whole question of how the extension of the services of the various health professions may be handled by the federal and provincial governments.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the minister whether the government intends to advise the provincial representatives at the conference that the federal government will be prepared to make its contribution to any province that is prepared to extend paramedical services under the medicare program?

Inquiries of the Ministry

Mr. Munro: Mr. Speaker, the types of discussions that are taking place relative to how the federal and provincial governments would get together on this whole question of paramedical services and the extension of cost-shared areas precludes my saying what will be done with respect to any particular profession. I am precluded from stating, until the discussions are completed, whether action could be taken just because one province as distinct from others may want an extension.

MEDICARE AND HOSPITALIZATION—RECOMMENDATIONS ON WAYS OF SAVING MONEY

Hon. Robert L. Stanfield (Leader of the Opposition): Since there has been a good deal of talk by the government with regard to ways of saving money in the medicare and hospital plan field, I ask the Minister of National Health and Welfare when we may expect a report on the ways this administration is adopting to save money in this field.

Hon. John C. Munro (Minister of National Health and Welfare): As the Leader of the Opposition may be aware, Mr. Speaker, a task force report, which was developed as a result of federal and provincial participation in the whole health cost area, was prepared which contained many recommendations. Many of these recommendations have been accepted by various levels of government in terms of joint action to achieve this objective. The specifics as to what further action can be taken by both levels of government will be made known following the health ministers' conference this week.

Mr. Stanfield: A supplementary question. Following the conference this week, will the minister make a report to the House stating precisely what recommendations have been accepted and at the same time putting a dollar tag on the savings involved?

Mr. Munro: I will be very pleased to consider taking this action, Mr. Speaker.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

ESCALATION OF PENSIONS OF RETIRED EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I want to direct a question to the Secretary of State.

[*English*]

Is the minister—

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): After all, one should be bilingual and use both languages. Is the minister now in a position to answer the question I directed to him on Thursday, November 26, which was as follows:

Can the minister state when the CBC will put into effect an arrangement for the escalation of the pensions of its retired employees similar to the arrangements for retired public servants that were passed by this House last spring?

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

The minister said he would inquire.

Hon. Gérard Pelletier (Secretary of State): I have an answer, Mr. Speaker.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Pelletier: But this is an answer which probably will not please the hon. member because it is precisely that I have not yet received the answer to his question.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Thursday, December 3, consideration of the motion of Mr. Benson, that this House approve in general the budgetary policy of the government.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, since the budget speech was delivered on Thursday night, we have had an opportunity of assessing what thin gruel it is. The country has had an opportunity to examine the budget. There has been a flow of reaction through newspaper comments and the like. I have yet to see one editorial positively accepting the premises of the minister's speech or the recommendations which he made.

There is a rather odd situation this afternoon. The Minister of Finance (Mr. Benson) cannot be here for the resumption of the debate. There is a valid explanation why he is not here, and I am not complaining about his absence. However, the members of this House are faced with a rather odd situation when discussing the financial affairs of this country. The minister is attending a conference with his provincial counterparts. Financial negotiations and arrangements between the federal government and the provincial governments will be decided at this conference. The members of this House will not have an opportunity to say anything about what will happen in their province. It matters little whether they are members of the government or whether the provincial government is of the same party stripe. They will not participate in the negotiations nor will they represent the people of their province during such negotiations. It is as though the cabinet, which in effect is the government, has almighty power. The administration is the government. The Minister of Finance is subject to the advice of his senior officials.

Yesterday, by way of historical interest, I read volume three of the Mackenzie King memoirs which dealt with the early years of dominion-provincial conferences. In 1945 and 1946, particularly 1946, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) participated in those negotiations. They were very difficult. He knows even within the limited disclosures by the diaries of Mr. Mackenzie King, there was much horse trading and knifing in the back. It makes one wonder whether

the ministers of the federal government and their officials made power sharing deals with the representatives of the provinces. It was as though they were carving a pie, namely, the Canadian body corporate. This pie was being carved by the representatives of the federal and provincial governments, each struggling for more power. These memoirs give a great insight into what has evolved as a result of negotiations between the federal and provincial governments in the fields of finance and health, as well as other areas in which there is joint jurisdiction. It is not a pretty picture.

I am struck by the complacency with which these decisions are accepted by members of this House. It represents an abdication of the right and duty of members to represent the people in their own provinces. They are not in the picture at all. Some sort of deal will be worked out. There will be preliminary negotiations with regard to the renewal of the federal-provincial agreements and fiscal arrangements which have to be worked out next year. Possibly some deal will be worked out with regard to changes that will be made in the income tax field. Yet what will hon. members have to say about an income tax system worked out and possibly agreed upon by others. What will the members of this House have to say about this situation? I am sure many hon. members share the feeling of frustration that I have. I am using this opportunity to put this, their own problem, before hon. members.

• (3:20 p.m.)

It amounts to this: the government of this country boils down to fewer than 40 men who are the wheelers and dealers of the interests of all Canadians It is as though the federal government says "I want this part for my empire" while each of the provinces says "I want equal dominion over the same area." Whom are they quarrelling over? What is going to be gained? I know what is going to be lost—it is the poor hide of the Canadian taxpayer which comes out of these deals the worst for wear. So this afternoon, in commenting upon the budget proposed last Thursday night, I am reduced to the position of a man who is in a broadcasting booth in a radio station and talks to a lot of people without knowing what effect his words are having on them.

This budget, and the whole procedure surrounding it, is most important. It lies at the core of government. It represents the ways and means the government must adopt to raise the money to make possible the supply which it will ask this House to grant. We are dealing now with the other half of the balance of the government's whole administrative spending program.

I wish the government would adopt a consistent policy with regard to the presentation of budgets. There have been fluctuations from one point of view to another, depending on circumstances. I recall the minister's predecessor, now the Secretary of State for External Affairs (Mr. Sharp), telling us that having regard to the complexity of a modern economy, and in order to exert a better degree of control, he intended to propose that there should be two budgets in a year. Presented with this prospect, however, the present Minister of Finance (Mr. Benson) said: Oh, no, there is no need. Last March, when no tax changes were proposed and it was quite obvious that the minister was dropping the surtax on income tax, he acquiesced in this view and was quite prepared to accept it at that time; unless there was another budget there would be no continuation of the surtax; it did not bother him one bit. As a matter of fact it was not intended that there would be a further budget, because any such move would give rise to the possibility of tax changes which were the subject matter of the white paper on taxation, a new system which was not then to be ready.

So, why have we been presented with a budget at this time? After all, when Parliament reconvened in October it was not intended that there should be a budget this fall. Indeed, I am sure there was no intention of presenting a budget three weeks ago. Has it been brought down because there is now an indication that the economy is not going well? Is it because the October figures indicate that the budget deficit which had been forecast was likely to be considerably greater than was expected last summer, particularly in June, as a result of the minister's undertaking that more money would be passed on to the provinces? I admit that allowance must be made for the acceleration of payments to the provinces, but this is a once-in-a-lifetime event, cramping up the procedure by one month; it does not represent any continuing betterment of provincial positions, since the provinces will only get a windfall payment this year representing one month's payment of tax. Nevertheless, there was need to save some $250 million. After all, the minister will be obliged to go to the market for a lot of money this year and next year. If he is trying to save $250 million, a continuation of the surtax becomes necessary. The procedure is simple. The tax forms are there; it is the simplest way. This is reason number one for presenting us with a further budget.

It is likely, too, that there was a belated attempt by the government to fight unemployment. Notwithstanding statements made inside this House and outside it by leaders of political parties in opposition to the government, by the head of the Canadian Congress of Labour and others, that unemployment will be serious this winter, much more serious than the government appears to believe, nothing was done until—and this may be the ironic consequence of events in Quebec—a number of complacent cabinet ministers suddenly realized that unemployment was likely to be very serious and that some token effort, at least, would have to be made to show that the government was trying to deal with the situation. In addition, of course, it was realized that the government was running increasingly counter to the advice of the Economic Council of Canada.

There is possibly a third reason, Mr. Speaker. During the middle of the year and in the early fall, money was poured very generously into some regions of the country by the Minister of Regional Economic Expansion (Mr. Marchand). The House was treated to a succession of bulletins, almost daily, as massive injections of money were announced. Incidentally, I am not satisfied that all

these projects are viable. I believe some of these industries will die on the vine as soon as the effect of the capital which was injected into them has worn off. I say this because in my view these enterprises are not deeply rooted; they are subject to much uncertainty, and it may be that sums of $10,000, $15,000 or $25,000 here and there have simply been poured down the drain. In some cases political I.O.U.s may be attached to the grants which have been made. In any event, I believe some of them to be non-productive. Anyway, the Minister of Regional Economic Expansion is reported to have said there was no way in which he could successfully pump money into various areas in order to relieve unemployment while the national economy as a whole was sagging, and that some effort must therefore be made by the government to increase the tempo of the economy as a whole.

What has happened? We are faced with a strange paradox inasmuch as the minister has continued a surtax which had been imposed as a deflationary measure, a strong deflationary measure, and, I would say, one which had been wrongfully imposed because it was the wrong way to fight the inflation with which we were faced. As a matter of fact, I would say that the surtax was even more inflationary, because it figures largely in the calculation of take home pay and in the wage demands made by organized labour, certainly by anyone considering the level of his earnings or take home pay. What has happened has been that the 3 per cent surtax on income tax was passed on as quickly as possible into the pricing system.

• (3:30 p.m.)

In any event, this deflationary fiscal instrument is to be found in a budgetary document that emphasizes expansion from the word go to the very last line. I would ask what place it has in such a document. Is it because we are engaging in a two-sided fight, with the left hand continuing to fight inflation with a surtax, and the right hand trying to prime the pump in order to get the economy going again? What sort of exercise is the Minister of Finance asking this Parliament and the country to undertake as a result of these proposals? The minister now has us engaging in a kind of split personality situation.

What does this budget propose? Let us look at some of its highlights. The unemployment insurance benefits are to be increased immediately by 10 per cent. I commented on that the other night. A budget was not required for this, Mr. Speaker, because the supplementary estimate providing for this was tabled last Friday. How much will this measure produce to enable us to fight high winter unemployment? It is estimated that over the winter and up to April 1, $31 million will be available, with the balance of $23 million being found some time during the coming year, making an over-all total of $54 million. I suggest that it is during this winter that we must deal with our massive unemployment. I put it to you, Mr. Speaker, that this instrument is at best a very poor one, a mere half measure.

[Mr. Lambert (Edmonton West).]

Then, there are to be loans totalling $150 million to be made available to the provinces through a fund to finance job-creating projects next year. This proposal was greeted with great fanfare by some people. But may I point out that these are loans, and loans have to be repaid. We do not know the terms of these loans. Any province that wants to participate in this program must consider whether, first of all, it needs to create jobs; secondly, what its share of the financing is going to be; and then how the loan is to be repaid. Unless the provinces undertake this exercise, and particularly the consideration of repayment of the loan, they are merely following the course of a spendthrift going into bankruptcy.

I am sure that none of the provincial administrations would want to become involved in this sort of exercise. How much of this $150 million is going to help solve unemployment this winter? Perhaps, some $40 million of it will. It will also be interesting to know the conditions under which the provinces will qualify for such loans. Are they, as hinted in the budget speech, to be loans of the type granted under the old winter works program, where people who would not normally have been working on any project are to be employed? If this is not the case, then those who have will have more. In order to deal with the unemployment problem we must put on the payroll men who have not been employed or who are likely to lose their jobs. This is the only way to fight unemployment.

The, $40 million is to be shared by the provinces under a complicated formula. For example, for the province of Alberta $4 million is to be made available, and 40 per cent of this, namely $1.6 million, is earmarked for between now and March 31 next year. I do not know that this money is going to be a great deal of help. After all, what municipalities are going to go through the necessary administrative procedures in order to get their programs before the provincial government? It may be that the provincial government itself has a program on the shelf that it would not have to spend weeks designing and planning for in order to put men to work. There will be a time lag in this proposal, so in this respect it fails to deal with the high unemployment rate this winter.

A further $23 million is going to be allocated to federal departments and agencies to make capital improvements in areas of highest unemployment. This money is to be spent before March 31. So far there is no sign of any supplementary estimate in this regard, so all it means is that there is going to be a redirection of government spending programs already provided for into certain regions of high unemployment. This is not putting another $23 million into the system; there is no expansion here, merely a redirection.

The sum of $20 million is to be allocated to the new Montreal international airport, $5 million of which is to be spent before the end of the fiscal year 1970-71. I should like to know whether the plans for this word are now ready, or is this money simply going to pay for that part of the program that was already underway? In any event, the sum of $5 million has been earmarked. Central

Mortgage and Housing Corporation will have a $40 million expansion of its capital budget, all of this for 1971-72. So here again, there is nothing to help fight this winter's unemployment; this proposal is designed for the next fiscal year.

Then, there is to be an expansion of the industrial incentives program. I must be very careful here, Mr. Speaker, since an area that you know rather well is to be designated for special incentives. Also included is the city of Montreal and surrounding areas. I was told by one government official that in the province of Quebec 99 per cent of Quebeckers live in areas that are now designated for special incentives. I wonder why the other one per cent was not included. However, 99 per cent of the population presumably live in special incentive areas.

Direct loans will be made to the footwear industry, and these loans are to be available only in 1971-72. No help is to be given to the industry this winter. The sum of $5 million was previously announced for the shipbuilding program for 1971-72. Again, there is no assistance for 1970-71.

Old age pension and guaranteed income supplement increases amount to $200 million out of a fund that is earmarked for old age security. Those people who have contributed to the fund are told they will get their contributions back in greater quantities, but not until April 1, 1971. The change in the family allowance program represent merely a redirection of the money. It was said that there should be a redistribution of income to the lowest income groups in the weaker regions. I do not understand how anyone can say that old age pension and family allowance recipients live in greater numbers in weaker regions. I would think quite the contrary, and I cannot see how this is going to help the lesser developed regions of the country because old age security recipients and family allowance recipients are spread across the whole of the country.

• (3:40 p.m.)

Let us then look at the capital cost allowance supplement which would permit manufacturers and processors to value investment in new equipment at 115 per cent of the actual cost. It is suggested this plan will cost the treasury $25 million. In other words, there will be another $25 million presumably left in the private sector, but none of it in 1970-71 and precious little, I would say, in 1971-72. Frankly, all the adoption of this plan means is that the present economic situation is not good enough to entice manufacturers and processors to carry out normal business investments. There has been a lag because of the flatness of domestic economy. Now, a longer and a bit bigger carrot is going to be dangled for a period of about 15 months. There will be a windfall involved here for people who normally would be constructing new buildings and changing machinery. I cannot envisage a major industry being able to assess the market and come to the decision that it should construct a major plant, making the necessary acquisition for the plant and the new machinery by March 31, 1972. This is just not done that way by major industries. It cannot be done that way.

An hon. Member: You are wrong.

Mr. Lambert (Edmonton West): An hon. member on the other side disagrees with me. A major industry just cannot build a plant, purchase and instal the machinery within that period of time. There may well be a replacement of machinery and additions made to plants. This may well help to some degree, but let us not fool ourselves that a major industry will be enticed to come into a particular area and avail itself of the advantages of this provision.

The budget speech also contained this statement:

In addition to the increasingly expansionary fiscal policy, monetary policy since late last winter—

I find that a most amazing statement. It talks about something in addition to the increasingly expansionary fiscal policy. Where was there any expansion in fiscal policy during the past year? Taxes were maintained at the same level and we now have the new proposal to increase taxes by renewing the surtax. As a matter of fact, that was the heart and core of the last budget. This was an ill-founded proposal. That budget also referred to increasing consumer credit control. If anyone can talk about that as being expansionary on a fiscal basis, he should start to explain the English language. There is no way the last budget should be considered as anything but an inflationary one. The government said consumer credit controls were absolutely essential and we were going to have them within a month. Of course, we saw their demise in June because there was only one result at the end of consumer credit controls and that was increasing unemployment in this country. In any event, somebody was misguided enough to indulge in the folly of thinking that consumer credit controls were necessary last summer to deal with the problem of inflation which existed then.

We are told there was an expansionary fiscal policy. On the contrary, there has not been one bit of expansion in fiscal policy. In so far as monetary policy is concerned, there has been relaxation of the bank rate and accompanying declines in the commercial bank prime rates. Even this morning, a further decline was announced by one bank. When I consider the effect of this so-called expansionary monetary policy on the average rate of interest on long term government bonds, I conclude that the people of Canada who are picking up government bonds just do not believe the government.

I invite hon. members to look at the Bank of Canada's statistical summaries which indicate the incredible position of this government having to pay an average of 8.13 per cent on its long term bonds. It is true that in the last month the rate has declined to about 7.5 per cent. If the government in this case is not believed by the public, how on earth can anyone ask for a lower interest rate? The farm improvement loan rate is set on the basis of that government long term rate. The Central Mortgage and Housing Corporation interest rate is set in relation to that rate. Farm Credit Corporation loans are set on the basis of the government's long term rate. This is sup-

posed to be the best rate in the country. When this best rate is over 8 per cent, it means that the public just does not believe the government and that its performance is not credible. Let us not say there has been this vast improvement as a result of expansionary monetary policy.

Let us consider some of the criticisms and comments. The minister made a great deal during his opening statement about the change in the direction of the rate of unemployment. There has been just one slight deviation for one month, and even in that regard the minister said it resulted from a sort of general public service lexacon which may cause variations from the trend from time to time. In other words, it was just as likely that we had to maintain a downturn in the rate of increase of unemployment. Let us see what it is after Christmas. What I am saying in this regard is that I do not believe the minister's optimism is justified based upon the change in unemployment statistics in one month.

• (3:50 p.m.)

Nor can I see justification for optimism with regard to the consumer price index. If one would take a look at page 903 of the November 1970 Statistical Summary of the Bank of Canada, one will see that with regard to the consumer price index there has been a slight downturn or levelling off of the curve in late October and November of 1970. However, this is a reflection of a much sharper turndown in food prices. There has been nothing but a constant climb in all the other elements which go into making the consumer price index. One has only to look at the chart as soon as the fall surplus is over—which is the harvest season—and one will see a turnup after Christmas in a number of food prices such as fruits, vegetables and certain types of meat. Then, we will see again a turnup in the consumer price index. I regret that as everyone else does.

I mention again that I do not think the reference to either the rate of unemployment or the change in the consumer price index this year is a sufficiently strong base for the minister's enthusiasm and optimism in the opening paragraphs of his speech. The representatives of the provinces are meeting in Ottawa. It will be very interesting to read what they have to say to the minister and how they react. I am sure the Parliamentary Secretary to the Minister of Labour (Mr. Perrault) has already taken cognizance of what has been said by the Premier of his province. He, of course, has had a lot of experience with the Premier of his province. The people of British Columbia found the Premier of that province much more reliable than the hon. gentleman because he went nowhere in the provincial House.

Then, there was the emphasis on the foreign trade balance. The minister made much in his speech about the rate of increase which had taken place. But the rate of increase in the third quarter levelled off. The gap between exports and imports continued, mostly because imports declined due to the flatness of the domestic economy. Canada just was not importing as much in the last quarters of 1970. We will see what happens in respect of the last quarter as a result of the unfortunate strike in the automobile industry. This will knock our trade figures for a loop. There will be a very serious cut.

I was very intrigued with the attitude of the minister when he was interviewed on television immediately after the presentation of his budget. I remember how he almost climbed down the throats, if that were possible, of his interviewers because they were being most skeptical about his performance and his budget, particularly when one of them asked about the man in the middle income group and what on earth was being done for him.

The man in the middle income group has become the sacrificial lamb of the country. In respect of unemployment insurance, it is his body that will be bled. In so far as family allowances are concerned, the cutoff is $10,001. Is it the $10,000 a year man who is rich now? When the minister was asked this question, he replied that such a man was within the rich class. If that is so, then I find that the policeman, the commissioned officer of say major rank, the sergeant of the mounted police, the carpenter, the plumber, the electrician and the garage mechanic are all above $10,000. They are, then, in the rich class in this country. The minister made some statements to the effect that less than 10 per cent of the taxpayers of this country are above the $10,000 class. Ah, in number perhaps, and I am not so sure for 1970.

If we look at the 1969 Edition of Tax Statistics covering the 1967 calendar year—and I refer hon. members to the summary table number 2 on page 10—we will find that those who have filed returns on which the total income was $10,000 a year or more in 1967 represent about 10 per cent of the total number of people. They earned 18 per cent of the income but paid 37 per cent of the tax. If we add the increases in salaries and wages that have been received by Canadians since 1968, at an average rate of between 8 per cent and 9 per cent and in some instances more, we see that more and more people have moved into that rate above $10,000. I judge, therefore there would be rather more than 10 per cent in numbers who would be earning more than 18 per cent of the income. It may go as high as 25 per cent of the income earned in this country. These people will certainly have paid well over 40 per cent of the personal income tax. These are the people who are to be hit harder.

I do not know, Mr. Speaker, but it seems to me that a small group of individuals in this country who are not the aristocracy of business but who represent a cross section of the working populace of this country, whether they are white collar, blue collar or whatever collar people—I suppose most of them wear sport shirts now—

An hon. Member: Turtleneck.

Mr. Lambert (Edmonton West): Turtleneck—they are the ones who are bearing the brunt of the tax load. They are the ones who, presumably in the mind of I do not know whom, are to be bled much more because at every turn it is those in the $10,000 and up bracket who go into the pen to have their throats cut.

• (4:00 p.m.)

I would have liked to have seen the minister do something in the budget by way of a tax cut for the lower income groups. The injection of money there would have been that much more quick and effective. For instance, there could have been a 6 per cent reduction in personal income tax for all income classes, which would inject $325 million. If it were for those earning less than $6,000 a year, it would require $87 million in tax forgiveness. A 10 per cent reduction in personal income tax rates for those earning less than $6,000, would inject $140 million.

If the minister wanted to do something that has been advocated from both sides of the House—and I know that a number of government supporters are in favour of it—he would have reduced the sales tax on building materials. I say "reduce" because I think that in the light of the changes that are being proposed for old age income security and the GIS, one must leave 4 per cent of the sales tax paid into the old age security fund inviolate at this time. Therefore, I say that the minister could have reduced the sales tax on building materials to, say, 4 per cent. The total tax take now under the reduced building program is in the neighbourhood of $225 million, so it would only be about two thirds of that amount which would be injected into the economy or given up out of revenue.

Mr. Perrault: Provincial revenue as well?

Mr. Lambert (Edmonton West): I am not talking about the provinces. The sales tax program with regard to building materials starts here. I will not engage in the practice of giving provinces certain advice. If they see fit to remove a portion of their sales tax from building materials, I think the Canadian nation would benefit thereby.

Mr. Perrault: Hear, hear.

Mr. Lambert (Edmonton West): I will only advise the government in whose House I am a member, not the others.

The third thing I would do is to remove uncertainties in the export market. There are a number of other incentives that could have been considered. Many of our export industries are now having to enter into long term agreements based upon a floating Canadian dollar. Because of the threat of the repegging of the dollar, they are unable to engage in the market in normal hedging operations. They cannot lay off and buy forward because the dollar might be pegged back at 96 cents or 97 cents, where it is readily defendable under the present circumstances. Ask the lumber industry, ask the auto parts industry and ask a number of other export industries just how easy it is to do business. Ask the heavy chemical industry where lay-offs by the hundred are taking place. We will have to consider what has been happening to the Canadian economy. It has been receiving some heavy body blows during the past years, many of them because one step was not related to another.

The minister thought he was going to fight inflation by accelerating the tariff cuts with regard to the Kennedy round. A number of industries were going to be barely able to keep alive on the basis of the cuts over the five years. The knife was being shoved into them slowly. Ask the heavy chemical industry, ask the fine paper industry and ask some of the others what is happening to them. Their position is exceedingly difficult as a result. First of all, they face heavy additional competition on the domestic market; second, their prices are greatly accelerated by reason of the unpegging of the dollar and the uncertainty as to when the dollar may be stabilized. It is not that I am necessarily an advocate of a pegged dollar, but we happen to be part of a team that is working in the International Monetary Fund. We all subscribe to the Breton Woods Agreement; we are all signatories to it, but twice now Canada has seen fit to say "I am going to take the ball and I am going home". If everybody else did the same, what would happen?

I will ask hon. members whether any of them remember the absolutely nonsensical and suicidal international financial battles that were waged in the 1930's when we had completely unrestricted currencies.

Mr. Laing: R. B. Bennett.

Mr. Perrault: Your hero.

Mr. Lambert (Edmonton West): At that time the Canadian dollar was caught in the same position as other currencies. Of course the Minister of Public Works (Mr. Laing) is talking through his usual hat. I would like to see him rise to his feet to give a reasonable and reasoned argument regarding the condition of moneys in the 1930's and subsequently. Let us look at what happened to England, France, Germany, Italy, Japan, and all the others. Now, there is a considerably greater stability at the present time, but it is at a fearful price as the Canadian government for certain reasons sees fit to sit on the outside of the international monetary agreement.

I would have liked to have seen the government make some proposals to expand the incentives with regard to pollution control machinery, both for municipalities and industry. There is something that will accomplish several things. It will help to control pollution, and certainly people are worried about that today. We know that industry and government have to have some help in order to achieve that control. That would have been a proper step because, in addition, employment would have been provided both in the production of machinery and the operation of the plants.

Certainly we could have renewed or expanded the system of incentives for sewage treatment that existed some years ago by introducing a forgiveness feature into any grant system, as was done at that time, so as to assist the municipalities to deal with the effluent that comes from their sewage systems. This is one of the worst sources of pollution, and yet little or nothing is being done to assist municipalities in dealing with the problem.

Therefore, I move the following motion:

That the motion be amended by deleting all the words after that" and substituting therefor:

"this House deplores the abysmal failure of the government to make any budgetary proposal to effectively stimulate the Canadian economy with a view to an early substantial reduction of high winter unemployment and to alleviate the economic plight of pensioners and other Canadians in receipt of incomes below the poverty level, as described by the Economic Council of Canada".

• (4:10 p.m.)

The Acting Speaker (Mr. Laniel): Hon. members have heard the motion put by the hon. member for Edmonton West (Mr. Lambert). The hon. member for Waterloo.

Mr. Max Saltsman (Waterloo): Mr. Speaker, the budget serves to confirm something which has been obvious to most observers for a long time. It confirms that Canada's economic objectives are in tatters and that the Trudeau government has abysmally failed to solve some of the serious difficulties in this country.

When the Economic Council of Canada set out the goals for this country, stable prices, full employment, steady growth, and a viable balance of payments, everyone was in agreement that these objectives could be achieved with some kind of intelligent approach to economic problems. What happened to these objectives?

Let us deal with full employment. The unemployment situation in Canada is disgraceful. No words can describe the damage done by this government. We have the highest level of unemployment of any industrialized nation in the world. That is some record, but this government has managed to achieve it.

Mr. Stanfield: And they have only started.

Mr. Saltsman: Let us hope they get stopped in a hurry.

As for growth, again the record of Canada is worse than that of any other industrialized nation. The government tries to manufacture figures to show that we are getting something like 7 or 8 per cent growth, but it does not say how much of that figure is the result of inflation. The other thing the government does not say is that the remaining growth shown in those figures results from the burgeoning population. If we want to compare our growth with that of other nations, the key is in the per capita comparison. It is amazing how a government could have shattered the economy so effectively.

There may be some members on the other side of the House who will say that I have just taken two of the goals, and that the government has been more successful with the others. Well, let us take stable prices. The government maintains that prices have risen less rapidly in Canada than in any other country in the world, except Finland. It is true that there has been a marginal improvement in prices but the question to be asked is, at what cost? What kind of price do we pay for a marginal improvement? It is true that prices have been held down marginally, but the government will not be able to do that in future because the lid is coming off now. The Prices and Incomes Commission has turned out to be a major fiasco. It has not been effective. Prices have been held down only in some sectors that were vulnerable to pressure. For instance, banks have not held down prices. In the last three years, their profits have increased by almost 75 per cent. There has been failure in the area of stabilizing prices, Mr. Speaker, and there is very little to be proud of regarding that. Any marginal improvement has been achieved at enormous cost to the sectors.

We do not have a viable balance of payments. When a government is preoccupied with trying to reduce the value of the dollar, when it is embarrassed by the $4 billion and more it has in reserves, that is not a viable balance of payments situation. One of the difficulties with the balance of payments in this country is the slow growth of our economy. Unemployment is diminishing economic activity and because of our dependence on branch plants from the United States there is a slowdown of imports. Our policy of tight money, which fortunately is being relaxed now, and of high interest rates, has brought money into Canada that was in large measure speculative and was not necessary. The so-called improvement in our balance of trade has not been good. It cannot be sustained and is an embarrassment to us at this moment.

Unemployment has cost us a great deal, Mr. Speaker. Rather than try to give you my views or my figures on this cost, I should like to quote the words of a federal official as reported in the *Globe and Mail* of June 17, 1970. The article reads:

Unemployment may cost Canada $5 billion this year in lost production and the cost of providing welfare payments and job retraining for the unemployed, federal officials say.

This does not begin to put a dollar value on the human costs involved in job loss and disrupted family life. Nor does it include relief payments by the provinces and municipalities.

The article goes on to mention the hidden unemployment which does not show up as a statistic. The reference is to people who would have been in the labour force and part time workers who would have been glad to work had employment been available. This editorial concludes by indicating that such lost production cannot be recovered.

One would have thought there would have been an outcry in the country as a result of this terrible record, but I regret to say that such has not been the case. The government's suicidal economic lunacy is often camouflaged by events. At the same time that the budget was brought in, all Canadians were relieved to learn that Mr. Cross had been released and all attention was focussed on this matter. Very little attention has, therefore, been paid to the budget or to the economic policies of the government.

But, Mr. Speaker, the matter of Mr. Cross, the province of Quebec and the budget did not stop there. This budget was designed to take some steps to deal with the difficult unemployment problem in Quebec. An idea was advanced by the Premier of Quebec but was not incor-

porated in the budget. This budget is insipid; it is not going to answer the problem but will only create new problems.

The people of Canada want to see unemployment cured in Quebec and every other province. The measures proposed in this budget, the capital fund that is suggested, will neither cure unemployment in Quebec nor do anything of significance for the rest of Canada, Mr. Speaker. The dimensions of the problem are too great to be overcome by the picayune proposal of $40 million or $50 million to be pumped into Quebec some time in the future.

On various occasions Premier Bourassa has said that he must have at least 100,000 new jobs for the province. The record shows that in a modern society every job created costs almost $30,000. For the province of Quebec alone, fast arithmetic shows that the cost would be $3 billion. Even under the designated area program, which pays 20 per cent of the cost, that means pumping $600 million into one province immediately—and the problem is not confined to just one province.

How can we accomplish any kind of intelligent objective with the type of program the government has presented? For the whole of Canada, $150 million is available. That is a lot of money but not enough for dealing with a problem of the magnitude of the one that exists. The money is a teaser, because there is not enough to deal with the problem. Questions will be asked about it. Some will say that it is well and good for the government to make available this money, but they will want to know where it is to come from. I will deal with that point as I progress.

• (4:20 p.m.)

On budget night everyone was expecting a tax cut, or, if not a tax cut, at least a dropping of the 3 per cent surtax. I think everybody had a reason for expecting that. A tax cut would have been the sensible thing to bring in, and opposition critics might have been hard put to find reasons for condemning the government for its actions. The government would not have found that intolerable. But there was no tax cut. There was not even a dropping of the 3 per cent surtax. One wonders, why did the government not drop it? It seemed like the best thing to do. Removing the surtax would have pumped money into the economy and, apart from the economic benefits of such a move, the boost in terms of psychology would have been enormous.

We have often heard ministers of finance say, when defining their economic objectives, that it is equally important for us to attain certain important psychological objectives. Why were taxes not cut? They were not cut because the government had put intself into a box. It could not afford to do so. It did not have the money it needed, because it has been giving away money in many areas. I suggest that the government's action in allocating this money to certain areas is not as useful or as helpful as either a tax cut or a removal of the surtax would have been, because that action would have stimulated the economy directly. Actually, the government has closed off, through its policies, many of its available sources of revenue. Let us look at what is being done.

One measure being proposed is increasing the depreciation allowance up to a maximum of 115 per cent. The depreciation allowance has been suspect for a long time. No one has suspected it more in the past than the Minister of Finance (Mr. Benson). I should like to refer to an article that indicates the minister's thinking on the question of depreciation allowances. These allowances, according to this article, constitute a great giveaway program and the federal government will probably take steps to reduce the size of this program. Instead of following that course the minister, in his budget, has introduced an accelerated program. The article was printed in the *Monetary Times* of September, 1968. It is entitled, "Ottawa—and deferred taxes". The subheading is: "The question is: Can the Federal Government today afford to grant capital cost allowances as a means of stimulating growth?" The Article reads:

> Big business may soon have reason to examine a further dimension of the Just Society: The Federal Government, with ample cause to do so, is almost assuredly taking a hard long look at capital cost allowances—the rates of depreciation allowed for tax purposes.
>
> Projections made on the strength of a study done for the Carter Report suggest that since 1949 tax deferrals, arising from capital cost allowances, are now close to $6 billion. That is $6 billion which Ottawa never got and which had to be made up in other ways, notably by increasing taxes paid by individuals—hardly tolerable for a government which has been so chronically strapped for cash.

The article then refers to reporting and reads:

> The report to the tax authorities can understate actual earnings to a degree that is totally misleading of their value. DBS, for example, uses the returns made to tax authorities in calculating profit trends. Would the trend have declined so vigorously (if at all) last year if corporations hadn't been writing off new investment of the preceding years at the maximum rates?

Later, the article continues:

> This is one major cause for another look at capital cost allowances. Another is the consequences for the company that makes maximum use of them. It is, in effect, overstating cost of expansion and understanding return, distorting its balance sheet and building into its operations a windfall benefit as a permanent fixture—
>
> The estimated $6 billion of deferred taxation since 1949 would have permitted a corresponding reduction in other forms of taxation. Suppose it had been lumped into reducing the personal income tax? The effect of such an action would have been to increase potential spending power of individuals to some extent, no small inducement to growth itself and, by far, of a healthier nature.

The writer of the article interviewed the minister. It was his impression that since the minister was a former accountant, he was well aware of some of the abuses connected with capital cost allowances. He thought the minister wanted to take a more realistic approach to capital allowances. As so often happens, when people become ministers they forget some of their previous good intentions. The point is that the capital cost allowance is not a good way to stimulate the economy. It is good for two things. First, the capital cost allowance improves the profitability of some corporations; second, it enables a

corporation to hide the fact that its profitability has been improved. It would have been far better if the minister had taken the amount of money involved from some of these corporations and given it back to the people who want to spend it. The problem is not a shortage of machinery. The problem is not the necessity of encouraging capital expansion. The problem lies in the shortage of purchasing power.

The people of this country need many things, but they do not have the money to buy them. By cutting taxes, we could have stimulated the economy. By taking other steps, such as increasing income tax exemptions, we could have further stimulated the economy. That stimulation would have been reflected by increased purchasing power, which would have started the wheels of industry moving again. According to the minister, it is anticipated that this new measure will cost the government about $250 million. That is almost the same amount of money that the government would have lost if it had dropped the 3 per cent surtax. The minister is thereby saying to us that the best way of meeting our present day problems is by giving industry the benefit of this money instead of by cutting taxes for ordinary people. I think he is dead wrong. I cannot understand his reasoning or logic.

If the government is short of money and wishes to maintain the flow of funds, surely the granting of these increased depreciation allowances was not the way to solve its difficulties. Increased depreciation allowances create difficulties. Of course, the first impact of such measures is to encourage people to modernize their plants. There can be no argument about the value of plant modernization programs. The government is allowing industry the money to do that. The increased depreciation allowance will enable industry to construct buildings and acquire machinery. To the extent that the allowance is used to erect buildings, it will create employment. Yet, when the allowance is used for the purpose of machinery acquisition, two things happen. The tendency is for more automated machinery to be used. In the short run, that throws people out of work. To that extent, the allowance does nothing for the man who suddenly finds himself unemployed.

In addition, the machinery itself is seldom bought in Canada. Most of such machinery that we use in this country is imported from the United States. Therefore, first, we see the usual offset taking place as a result of automation. There are fewer jobs as a result of automation, and automation increases which increased capital cost allowances. That unemployment is compensated for by increased employment in the capital goods sector. So goes the theory. But that will not happen in Canada, because our machinery for the most part is not made in this country. Perhaps it would have been better if the government had said these grants were to apply only to purchases made in Canada. Yet even so, there would be some obvious difficulties. The measure itself is poorly designed. I cannot comprehend why it was used, particularly since the government has had such bad experiences with depreciation allowances every time it has permitted them. The last time the minister used them, his purpose was to slow down the economy. That did not work. He did not learn anything from that experience. He is talking about using increased depreciation allowance and more rapid write-off to stimulate economy. I do not see how that will work. It certainly will not work as effectively as other measures.

• (4:30 p.m.)

I now wish to deal with the regional development program. For years, many of us have fought for regional development programs to stimulate the economy of some less industrially developed parts of Canada. We are now taking a second look at the whole program. It does not make any difference who first had the idea for this program. If there is a way of ruining an idea, the Liberal party will find it. They have a fantastic talent for destroying good ideas.

Mr. Barrett: What a philosophy.

Mr. Saltsman: I am glad the hon. member is awake. It is always better to speak to a group whose eyes are open, even if their ears are not.

Mr. Barrett: Make it good so we will stay awake.

Mr. Saltsman: The idea of regional development was good. It received the support of virtually every political party. What has happened to this program? Regional development must be enormously selective. It must be pinpointed and restricted to very few areas if it is to work. If not, the incentives could be so enormous that they will become self defeating.

Virtually all of Canada has been designated under the regional development program. It would make more sense, and there would be less paper work, if the government would state which areas of Canada are not designated under the regional development program. The entire Atlantic region, all of Quebec except one per cent, the entire province of Manitoba, a large part of Ontario, Saskatchewan, Alberta and British Columbia are designated. What is the sense of this program? When this fact is pointed out to the minister, he says not to worry because there will be different rates of incentive; the present rates will apply to the new areas designated but there will be different rates for the areas presently designated.

Mr. Stanfield: Give him a few more months.

Mr. Saltsman: At least we are together in this. It is a comedy. The Minister of Regional Economic Expansion (Mr. Marchand) appeared before a committee of which I was a member. I am sorry I did not have time this afternoon to look for a specific reference. If someone wants it, I will locate it. The committee at that time was discussing the level of grants. The maximum was going to be 25 per cent. One of the members of the committee asked the minister whether he would consider a 30 per cent maximum. The minister replied that if there was to be a 30 or 35 per cent maximum, the government might as well operate the industry instead of giving all that

money away. The minister was correct. What has been proposed today? The government is proposing a maximum of 50 per cent.

The regional development program has not significantly helped those areas which need help. Even by raising the maximum to 50 per cent, those areas will not be significantly helped. We have now reached the point where the cost is so great that we may as well operate the industries. A Canada development corporation should be established. It should take over the crown corporations. There should be a policy of economic planning to ensure that the designated areas have industry.

Some hon. Members: Hear, hear!

Mr. Saltsman: There can be no other way. We have learned that offering a bigger and bigger bribe is not paying off. We have no information as to how many industries would have located in the designated areas if the incentives had not been offered. We do not know how long the industries will remain in these areas, nor do we know whether they are the type of industries that are viable and useful to the various parts of the country.

How long are these programs going to continue? Although the government is relying on them, we have now reached an end point. Whatever merit the programs may have had in enticing industries through tax concessions and grants to some of the less industrially developed areas of Canada, experience has shown that this has not worked and there is very little promise of it working in the future. We must face this fact.

With less costs to the Canadian taxpayers and more potential, the crown corporation seems to be the most suitable vehicle for this kind of approach. The history of DEVCO in Cape Breton illustrates what we are suggesting. Meanwhile, the program is costing a great deal of money.

The government has pointed out its inability to find money. The Carter commission report was examined in this House, but we still do not have a capital gains tax in Canada. To my knowledge, we are the only industrialized nation that does not have a capital gains tax. This has cost the country a great deal because what it does not get in one area, it has to get from another. Those who do not pay the capital gains tax are subsidized by the wage and salary earners of this country. They pay tax on every cent they earn. There is a limit on how much people can be taxed at any given time.

The allowances to the oil and mineral industries, which we hoped would be changed, apparently are not to be changed. Without waiting for the report of the committee, the minister announced that he was again going to be generous to this area. His courage failed him. I regret that the courage of the members of the committee also failed them. Instead of criticizing the minister for making a statement of this kind while they were drafting a report, they included congratulations in their report. I am sorry to say this because I have a high regard for most members of the committee. It appears that the pressure on them is too great, even for those noble committee members.

Mr. Barrett: I like that word—noble.

Mr. Saltsman: I am glad you like it. Keep on listening and you may learn something. There is evidence that the low income and middle income wage and salary earners in this country are greatly overtaxed. This is because of the benefits of depreciation allowance, capital cost allowance and capital gains. There are no capital gains or depreciation allowances for the wage and salary earners. They cannot write off anything. They must pay high levels of tax. Income could be obtained from other sources than the wage and salary earners of this country. Even those earnings over $10,000 are being treated unfairly in comparison to other sectors of the economy.

Another area I wish to deal with is the gross inefficiency of the economy because of policies this government has adopted. We have said on many occasions—and this might be a good occasion upon which to repeat it—that we in Canada use 30 per cent more capital per worker than does the United States, the wealthiest nation in the world, yet we produce 30 per cent less. Every study which has been made shows that this dismal record does not arise through incapability on the part of the workers of this country or through the misuse of resources but, rather, because of the way in which capital is managed in our branch plant economy.

• (4:40 p.m.)

I shall be moving an amendment in a few moments, Mr. Speaker. Let me conclude by saying this. The ability of this government to congratulate itself on things for which it should be ashamed, surpasses the imagination. The minister talks about the good state of our current balances; he tells us that our foreign reserves are in great shape; he notes our better price performance and the decline in short-term interest rates. Yet, while all this great stuff is going on, we are slipping further and further behind. Not long ago, Canada enjoyed an income per capita which was the second best in the world. We have now slipped to fourth place, behind Switzerland and Sweden.

Some hon. Members: Shame.

Mr. Saltsman: Canada is a country with vast resources. What more could a country ask for than we have here?

Mr. Douglas (Nanaimo-Cowichan-The Islands): Good government.

Mr. Saltsman: Right; that is what we need. we have been blessed by everything except an intelligent government.

An hon. Member: And an opposition.

Mr. Saltsman: Oh, the opposition is doing all right. It is the government.

We are living in a society which is being challenged by dangerous men, by people who have no use for democracy or for our institutions. No doubt, there have always

been men like these, and there always will be. What we ought to remember is that they play on real grievances which exist in society. There is ammunition available to them. They can ask: What good is your system of democracy if you cannot find a job, or if you cannot find a house? In this way, our society is in danger unless we do something about it.

The government showed a willingness to suspend civil rights when it felt democracy was in danger, and it used drastic and dangerous means in doing so. Where is the government's courage when we in the opposition ask them to bring forward, not measures which prejudice civil liberty, but bold measures to curtail the economic chaos in this country?

Some hon. Members: Hear, hear.

Mr. Saltsman: Why is it so terrible to ask that the government set up a fund, not of $150 million, which would not really help the people of Quebec, but amounting to billions of dollars to deal with the many social and economic questions which confront us? Now is the time for the government to mobilize the savings of the people of this country whether they are in banks or in trust funds and use them for the benefit of Canada, because those who hold them at the present time are not doing so, or failing to do so effectively enough. This is what needs to be done. This is a time to act with courage, conviction, and understanding.

There are certain steps which should be taken immediately and these are set out in our amendment. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

> That the amendment be amended by changing the period at the end thereof to a comma, and by adding immediately thereafter the following words:
>
> "and this House deplores in particular the failure of the government to alleviate the plight of those in receipt of inadequate incomes by providing that no income tax shall be paid by single persons earning $2,000 a year or less, or by married persons earning $4,000 a year or less, and also by providing tax relief for those in the middle income brackets."

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): It is my duty, pursuant to Standing Order 40, to inform The House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Humber-St. George's-St. Barbe (Mr. Marshall—National Defence—Suggested special militia training program for young Canadians; The hon. member for Rocky Mountain (Mr. Sulatycky)—Combines—Curtailment of restrictive practices of professional societies; the hon. member for Fraser Valley West (Mr. Rose)—Public Service—Sharing of decisions affecting job classifications with employees—amendment of legislation.

[Mr. Saltsman.]

GOVERNMENT ORDERS

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Benson, that this House approves in general the budgetary policy of the Government, and the amendment of Mr. Lambert (Edmonton West), and the amendment to the amendment of Mr. Saltsman.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I am happy to say a few words on the budget that was introduced last Thursday. I listened to the Minister of Finance (Mr. Benson) with great interest, and I do not rise to speak in this debate as a financial expert, but as an individual who wants to express his opinion on a budget that the Minister of Finance has tried to defend and about which he has tried to arouse enthusiasm.

Mr. Speaker, I read this budget many times on my way to my constituency for the weekend. I would have liked to prepare these remarks better, but I did not have time to do so, because my train was late today.

I am always astonished when I compare Canada's budget with that of other countries with almost the same population. This country, with a $13 billion budget for 20 million citizens, does not succeed in providing the necessaries of life to low-income families and in solving once and for all the situation with regard to consumption.

We do wonder, Mr. Speaker, and like all the others, we try to find where the problem lies. I, for one, maintain that we overspend on administration and underspend on participation. Very little money is paid out to those who stand in need of it.

For instance, the Department of Agriculture estimates total several hundred millions of dollars, but if we take the administration costs into consideration, we are utterly astonished to realize how little farmers get. That is why I said earlier that too much money goes into administration and none is left for those who would need it so much.

This budget once again reflects the erroneous mentality of bureaucracy. The minister contends that the expansionary fiscal and monetary measures he took are beginning to show results which will further improve. He said that most economic indicators show an improvement of the Canadian economy and that unemployment is easing off. This one is a bit steep and if the minister would take a tour around my region, he would notice immediately that unemployment is not easing off at all.

The first measure proposed by the minister is designed to jack up unemployment benefits. Indeed, I would like to make a few remarks on this point.

While benefits were expected, according to the rumours from the government side, to be doubled, they will be raised by 10 per cent only, and this is not likely to solve the unemployment problem in the least. The sufferings of the unemployed will continue.

In my region, the problem is not one of whether the benefits are going to be raised or not. The minister should have thought of changing the unemployment insurance regulations by requiring, for instance, a smaller number of stamps. To qualify for benefits, a worker needs 30 stamps but he can never work long enough to accumulate that many unemployment insurance stamps.

In my constituency, hundreds of workers are not eligible for unemployment insurance benefits because they have not accumulated enough stamps. After two, three, four of five weeks of discussion, they are told that this is a regrettable situation, but they will have to seek help elsewhere.

This is when they are directed to welfare offices. For a family of five, six or seven children, welfare is no fun. However welfare allowances are expected to double in my region since the workers have been unable to accumulate stamps and are not entitled to allowances.

If the minister or his officials had made the effort to further study the allowance increase so as to permit the unemployed to cope with a higher cost of living, they would thus have solved the most urgent problem. In addition, the minister told us that loans in the amount of $150 million will be granted to the provinces through a fund intended to stimulate the economy and this money will be used to finance, during the year to come, job-creating investment projects.

Mr. Speaker, there again loans are involved. The government merely says: We are ready to support the provinces, the municipalities and the companies wishing to borrow, so that they can get deeper into debt.

We have only two money sources, as the Minister of Finance (Mr. Benson) says, taxing and borrowing. And these estimates point to borrowing.

On this matter of borrowing, I read a newspaper article reporting what the Quebec Premier thinks of the benefits offered the provinces by the government. I believe that he was expecting something other than availability of loans. I quote:

> For the first time in several years, the Quebec Minister of Finance can indulge in the luxury of choice between several options: borrow slightly less than last year on the money markets or improve Quebec's credit rating; or maintain borrowing at its present level and use surplus liquidity to convert into debenture loan part of the short-term commitments of the government toward school boards, for instance; or borrow more this year and increase capital expenditures and several extra-budgetary items such as government investments in SOF and Soquem.

As concerns the cyclical stabilization fund dealt with by the Prime Minister (Mr. Trudeau), here is what I read in a newspaper:

> It is therefore quite a service that Edgar Benson has rendered his Quebec colleague. Nevertheless, it should be mentioned that the new $150 million fund is not yet exactly the contingency assistance fund called for last June by the premier of Quebec.
>
> Mr. Bourassa had proposed the establishment of permanent machinery; the program announced by Mr. Benson will terminate in a year and a half. Mr. Bourassa wanted the contingency assistance fund to be replenished by statute with certain federal taxes, which would vary according to the needs; the funds made available to the provinces will come from the consolidated revenue of the central government and their importance is left entirely to the discretion of the latter. Mr. Bourassa had suggested that the contingency assistance fund give the provinces both loans and grants; the federal Minister of Finance has kept only the loans.

That is what we regret. Had the Minister of Finance followed all the suggestions of the present premier of Quebec, we would not have to deal only with loans, borrowing and mortgages in connection with the provinces. It must not be forgotten that the sum of $150 million will be used in so far as the province of Quebec is able to borrow and municipalities and other organizations keep on running into debt.

• (5:00 p.m.)

I wonder where we will end up with all those debts, and whether we are not doing the provinces a disservice by allowing them to double their debt without ever getting direct help that does not lead to debt.

But, what can be done? Our present financial system is made for debts, and must make the best of it. After collecting about $13 billion in taxes from the people, the federal government asks the provinces to go into debt for it. The minister proposes as a third measure, and I quote:

> —it is intended to allocate a further sum of $23 milion to departments and agencies to undertake further capital improvements in regions where unemployment is most severe.

When considering that $23 million are divided among the various departments, I immediately think of the Department of Agriculture. Indeed, I am anxious to see what will be the amount allotted to that department especially in Quebec, because the budget does not propose any measure to promote agriculture in that province. I trust that the Minister of Agriculture (Mr. Olson) will take into account the different letters he receives and that he will take the necessary steps, in order to stimulate Quebec agriculture.

I am anxious to see what steps will be taken, because I would like some of those credits to be affected to farming in my area where 75 per cent of the people are connected with farming and need some help comparable with that received in other areas. Our district has experienced some disasters and I hope that the Minister of Agriculture will let us know the amount that the Minister of Finance wants to give the department of Agriculture and the sum that will be forthcoming for our regions.

The minister also stated as follows:

> A further $20 million will be allocated to development of roads.

It is no use hoping to get any thing for our regions. It is for Montreal. This sum of $20 million will be spent on the development of the new airport and will not alleviate in any way unemployment in our region.

As the minister stated, the purpose of this budget is to stimulate the Canadian economy and alleviate unemployment. Of course, the big problem today is unemployment. But what causes this unemployment? First of all, the

increase in interest rates has favoured the big fellow to the detriment of the little one.

Today measures are proposed to reduce unemployment when for two years there was harping on inflation. Inflation has never existed at the level of the worker, of the small wage earner, but rather at the level of big finance. The government is still promoting the latter to create inflation.

The government is presenting both ineffectual and temporary measures to give assistance to the low-wage earner and the unemployed. Such measures will have no immediate effect in my area.

As for the $40 million for the Central Mortgage and Housing Corporation, once again is a measure which, because of the high rate of interest and the very strict terms imposed by that agency, will have no effect. No family man with an average income can build a home in my district. That is the situation for all those who wish to build a low-cost home. I know that the loans are far the big contractors and not for the average citizen.

In my region there is a housing shortage. The $40 million will be used for building about 4,000 homes. In my opinion, this is not a solution for the family man who needs a dwelling and must pay a very high rent because he has many children. In cities nowadays landlords refuse to rent to a family with five children.

The government will have to find a better formula. If it does not want to lower interest rates for fear of antagonizing financiers, let it give at least rebate to average wage earners so that they may build a house.

In this budget speech, the minister also said that:

> The proposals set out in the White Paper on Income Security will have important fiscal and economic implications which will mean additional payments of $200 million and a new redistribution of income for those in the lower income group and the less favoured areas.

We agree with the principle of old age pensions, but not to give the older people a guaranteed income, as is proposed; this is only a pretext to appoint hundreds of inspectors merely to go and search senior citizens' homes to see if they have hidden $50 or $100.

• (5:10 p.m.)

That is why we are calling for across-the-board allowances and pensions, to avoid the expense of 3,000 inspectors snooping in homes to check on whether a certain senior citizen is not getting $5 or $10 more than he should. In fact, I believe the guaranteed income costs as much in inspections and salaries as the senior citizen is getting.

If we give old people a flat-rate pension, those who do not need it should reimburse it when making out their income tax returns. The Taxation Division is well enough organized to make the relevant inquiries, which would do away with the two inspection systems we now have.

[Mr. Gauthier.]

Every week-end, we are faced with 30 or 40 cases of old people being dealt with unfairly. The inquiry was not carried out properly and we have to go back and find the error. We manage to do it but at the cost of God knows how many headaches. The government should pay out pensions whenever practicable and put an end to its policy of distributing grants only to create employment.

Let us do away with administrative costs and inspectors' salaries, and then we will be in a position to hand out to our older citizens increased pensions without increased taxation.

The same is liable to happen with respect to family allowances. A system set up to investigate to the last cent expended is also recommended in this instance. There is going to be a reduction in the amount of family allowances paid to the wife of a man earning $4,500 or more.

Never will $16 be granted for each child, except to a few families but the rest will need it too. In fact, the head of a family who earns $6,000 or $7,000 a year but who has 7, 8 or 9 children will not be so much better off. I have here an article published in today's newspaper and signed by Mr. Paul Sauriol, about family allowances. He is presently in favour of this measure, of course, because all the press as well as Information Canada, which is financed by the government and speaks up for its policies, would be hard put to it to give an unbiased opinion. However, this is what Paul Sauriol writes:

> The proposed change in family allowances is the only one of the three where the government really advocates dropping universal benefits in favour of selective allowances.
>
> The monthly allowances would be increased to $16 per child for families with an income of $4,500 or less, and the allowances would be gradually reduced as the family income increases and they would cease completely for families with an income in excess of $10,000 a year.

When the head of a family earns $10,000 a year but has 11 children he cannot be said to be rich. And in relation to that I quote further:

> One thing must be said, first of all: the real value of family allowances, their purchasing power, has greatly diminished these last few years as a result of price increases, so that the $16 per child given to underprivileged families would merely re-establish the former purchasing power of present allowances.
>
> The principle of selective assistance to most disadvantaged families is excellent, but the decreasing rate suggested in the white paper has one serious defect, because it does not take into consideration the number of children in a family, nor their age. Wednesday's papers mentioned the case of one family where the father earns a little more than $10,000 and where the twelve children are eligible for allowances. Under the proposed reform. that family would not be entitled to any allowance while another one with three children and having an income of $7,000 would get $33 per month. The family—

[*English*]

Mr. Deputy Speaker: I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. Barney Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I really had hoped to deal at some length with the intelligent contributions made to

the debate by speakers for the opposition, but unfortunately so far I have been unable to find anything sufficiently constructive to really counter. As a matter of fact, they discounted themselves by the weaknesses of their arguments and by the contradictions which were prevalent. However, I suppose that is to be expected because they have their job to do and they have to extend themselves to face a budget as strong as this is. But now that the big guns are coming up in the debate—I understand I am to be followed by the hon. member for Prince Edward-Hastings (Mr. Hees)—I think the tempo should pick up and excitement reign as this House deserves.

• (5:20 p.m.)

I feel, in all sincerity, that this was a most imaginative budget because it dealt with the issues as they are and not as we would like them to be, and it dealt with them in a realistic manner. We were able to look at things in specific terms and in the total context of the situation that faces our country as a great trading nation in the world today, bearing in mind the program we have had for the last many months to curb inflation which has had a high degree of success, with the unfortunate side effects that were regrettably to be expected and certainly greater than we had wished.

We have used very specific and sharp instruments rather than the broader, blunt instruments which the hon. member for Waterloo (Mr. Saltsman) suggested. The opposition always have neat packages, but today they had a great, big package of actions which they advocated with no real understanding of the consequences of those actions. I am not saying they advocated the wrong action, but it is not the one we chose. We chose to deal with the problems in our country that are of a regional nature to a large extent, and we are trying to zero in on them.

I think that the budget policies have been particularly consistent and they are part of an over-all program. I do not think the Budget can be isolated from other programs which this government is undertaking. It should be considered in relation to the white paper on tax reform, that on income security and that on unemployment insurance, plus the fiscal and monetary policies of the government as well as the actions of the Prices and Income Commission. I think these things express the philosophy of the government and are the articulated steps to deal with our problems.

What is most important in the budget is a rejection of the old, standard, universal type of program which was perhaps good in its times. Perhaps as a result of welfare programs and policies of this type, which we followed over the past years, our economy has changed and has shifted. Today when we talk of a middle income group, we really mean the group in the $10,000 to $25,000 income range. I think it is a fortunate country that has a middle income group with that size of income, but that is not the fact, we have replaced the principle of universality with an attach on specific problems.

I think the government was well intentioned, and certainly it was an opportune time to try to eliminate a means which is demeaning. It is something which we would not like to face and we would not like to see other people face, nor is it generally administratively efficient. The result, however, was that those who really needed help in our expanding and affluent society were getting less help, and those who did not need it were getting it. This was costly and inefficient. Now, we are zeroing in on those people who need help. I do not suggest for a moment that we are doing as much as is necessary or as much as we would wish. I think we are doing as much as we can, and we are doing it in stages.

There is a minimum of pump priming. The things that are being presented in this budget and in our other programs are those which are economically viable, and this is extremely important. There is not much point in pouring money down the drain in welfare programs. Some must be continued, but to the extent possible we should build the type of programs that help sustain themselves and help to lift up the deprived so that they can be self sustaining. There are those who suggest that by providing this type of assistance to people we are creating a welfare society, a type of society that depends on welfare, people who are permanently on welfare. That has been the case to a large extent in the past, but we are trying to overcome this tendency to have generations in the same family develop a welfare psychology.

Certainly, these people are the exception rather than the rule. As I understand it from surveys that have been done both in this country and elsewhere, a very high percentage of those people in receipt of welfare are unemployable for a large number of reasons. Some 45 per cent are unemployable because of physical or mental disability. They just cannot work or they are too old. Well over one third are women who have been abandoned, who are divorced or widowed and are left with dependent children still of school age. When you distil this down, less than 5 per cent of welfare recipients are able to work but are not working. Sociologists tell us that even among this group, there are undetected psychological problems which might prevent them from working. These studies were carried out in Canada and also in the United States. The results in both countries were amazingly close. It would be a shame to think that this group of less than 5 per cent is typical.

There are those who advocate throwing out welfare programs because there are those who abuse them. But there is no point in throwing out the baby with the bath water, and I suggest that all those who abuse our government programs and our tax systems are not welfare recipients. There are many people who are quite affluent and who abuse our system in one way or another, so let us not pick on that small group.

I think we realize that equalization payments, which are part of our system and have been good in the past, have not been adequate to deal with the disparities in our regions. Those of us who come from favoured

areas—and I consider the area from which I come as being particularly favoured—are conscious of the fact that we are favoured because we are part of Canada and only in a united and prosperous Canada can we remain favoured. However, we hope we will all be equally favoured. If the other parts of the country are able to become economically viable so that unemployment is decreased and people are prosperous, then we from the Toronto region for instance would benefit from that because they are our markets and we become theirs. The trade and prosperity that is generated helps to lift up all of us. In this respect, and particularly in view of recent events, I think those of us from such favoured regions are happy to see our government take an initiative to help pull other parts of the country closer to the level which we enjoy.

Perhaps we are disappointed in some ways that we will not have a tax reduction, but I suggest we might have had a tax increase as a result of these programs because these programs will make us more prosperous and the more money we make, the more taxes we pay. I do not object to taxes of that sort. But by the same token, even though we come from a favoured region, the urgency of other programs is no reason for neglecting the legitimate needs of the great urban centres which are prosperous also. I refer to the expansion of airport facilities in Toronto and the many other factors that necessarily have to be dealt with in a growing urban area.

Mr. Marshall: Information Canada.

Mr. Danson: Information Canada could tell us a great deal, and I am sure it will.

The interesting part of the programs in the budget is the recognition that society has changed, that government has changed, and that the relationship of one to the other has changed considerably. In years gone by, in the days when government expenditures were something like 7 per cent of the gross national product, the government played a small part in our lives. But today, when you consider all the levels of government, we are talking in terms of 40 or 45 per cent of the gross national product which passed through the hands of government. Government is a big factor in our lives. It would be nice to say that less government is the best government, but that is not the case. First, it is not necessarily the best—I am not suggesting it could not be better—but less government is not going to be the case in our time. I think any realistic person who examines what is happening now will realize that government has improved. What we have done is blend the private and public sectors, and it is important that we continue to do this. The government should act as a conduit to the public sector, directing the economy to the extent that is necessary, and no more, so that we can all prosper by it.

• (5:30 p.m.)

In the budget speech on December 3, at page 1741 of *Hansard* the minister referred to provision of a further $40 million to the capital budget of Central Mortgage and Housing. In August $100 million was added, and some $200 million has been provided for low-cost housing. This stresses the direction the government is taking. The government has infused in the order of $1 billion into the private sector and the construction industry primarily for low-cost housing. This is where the help is needed.

Mr. Lambert (Edmonton West): But it is needed this winter.

Mr. Danson: This is where help is needed, rather than for high-cost housing. The money will start the program moving. We have signalled our intention to help the economy in this way, and I think this is important. The hon. member for Waterloo spoke at some length about the provisions for accelerated depreciation and gave all the reasons why he thought this was bad. This is not to be done all at once, but at least we are telling the economy that we are starting to expand in this direction. We must be careful, however, not to overdo this because of the success we have had so far with our anti-inflation programs.

If the hon. member for Waterloo wants to list the reasons why accelerated depreciation is bad, he may do so; but I would like to quote from a memo which an eminent economist wrote to himself on October 20. This was B. J. Danson, M.P., outlining why he felt accelerated depreciation is good. Occasionally, when I have thoughts I try to put them in writing in order to develop some degree of logic. Therefore I said to myself that aside from the infusion of mortgage funds for housing, which we have in great measure, I believed the most effective and least costly tool could be the acceleration of depreciation on capital equipment for industry. This might follow the pattern of double depreciation used in 1962, although the degree of impetus to the economy could be controlled by the degree of acceleration. In other words, rather than the current 20 per cent on machinery it could be that 25 per cent or 33⅓ per cent would be more adequate.

Amongst the advantages is the relatively limited effect on revenue as opposed to massive spending programs. The effect on revenue is great—$25 million in the first year and $250 million over the whole period. This is positive spending and not pump-priming spending. Then many deferred expansion programs would be freed because we know there will be incentive for this type of program. This would considerably offset some of the pessimism that has existed in the business community.

Another advantage is that jobs would be created immediately in the engineering and construction of the machinery itself, plus the concurrent auxiliary expansion necessary to house and service it. When new machinery is delivered, the utilization of it creates more jobs. The hon. member for Waterloo suggested that it eliminates jobs because of increased efficiency. Certainly this might be a factor, but I would hate to see our economy sponsor increased inefficiency in order to create jobs or continued inefficiency. Productivity would increase by means of additional modern capacity and the replacement of older and less efficient equipment.

Smaller companies, frequently Canadian-owned with limited resources, would be encouraged more readily than larger corporations whose decisions are less influenced by limitations on available capital. This could be an area where the question of Canadian ownership could be enhanced as was suggested by an hon. member. There could be greater incentives for Canadian-owned businesses. I do not think that this is an area where we want to build up nationalism, but we do want to give impetus to productivity and efficiency. Flexibility can be obtained through the rate at which or the period in which purchases must be made. The experience of the early sixties was highly successful and gave considerable impetus to Canadian-owned companies even though there were no qualifications regarding nationality.

Another factor which we might consider is allowing this accelerated depreciation under the regional expansion program. I understand this program does not so qualify at the present time. We would develop some flexibility in our regional expansion program through capital cost acceleration. We have already introduced the principle of using 115 per cent of value for depreciation purposes at existing rates. I should like this principle to be watched very closely in order to make sure that it does not overheat the economy. By the same token, the areas of greatest industrial concentration naturally have the greatest potential for unemployment of skilled workers, and this is happening already. I submit that this provision in the budget will help alleviate that condition.

A matter which may be related to the budget, and one which was raised at the hearings on tax reform—I believe it is mentioned also in the report on the status of women—is aid to day care centres. This question was not included in the report of the finance committee, but a submission was made in the brief by the Vanier Institute for the Family to the effect that day care centres should be encouraged. I think this could be achieved by a budgetary measure.

It is good business to have more women in the work force, and the provision of day care facilities would encourage them to return to work. I do not believe that most businessmen have thought seriously of this, however. If we consider providing something like a 150 per cent write-off for the expense in the first year of establishing day care facilities, we might find them more interested. It makes good business sense and good social sense. Women would be happy to work, knowing that their children would be taken care of and it would be a great contribution to the morale and efficiency of our society.

Another area for concern is summer student employment, which will soon face us. In considering this question I have come to the conclusion that no one massive program will look after all students but, rather, what is required is a mass of programs, each one to look after some students. I was surprised and delighted at the success of the program for hiring students which was provided by our armed services last summer. It seemed to work out well for the students, and the armed services appeared to be happy with it. Having had that success, we should look at ways to improve that program rather than just providing more bodies for square-bashing. Perhaps the program could be developed as a paramilitary peace corps in Canada, with the students becoming involved in questions of the environment, ecology, pollutino clean-up and the like. In my own city of Toronto I should like to see them work on cleaning up the Don River.

I understand that Arctic command has some ideas germinating about taking students into the Arctic in the summer. They could work with the native people and help in the new communities by cleaning up the filth in the rivers and elsewhere. Perhaps this would serve to get young people enthused about the Arctic. If a few hundred were to start on such a program, some would become Arctic oriented. Some might become so Arctic oriented that they would be willing to devote their futures to it. I think that would be great for this country. In subsequent years, those who went there previously could help other students in going to the Arctic. I think the Arctic is a practical area for this kind of activity.

• (5:40 p.m.)

Last night I spoke at a function known as police appreciation night at the Centennial Baptist Church, Markham, in my constituency. It occurred to me that it might be worth while to have students during the summer months working with our police forces. It would improve their appreciation of what the police have to do and contend with. These students could talk to their fellow students about their experiences. The experience would be a revelation. Also, some of our youth might be inspired to make law enforcement their career. Our police forces at all levels ought to participate in that kind of program, which would be of minimum cost and extremely helpful. When I spoke to ex-chief Mackay of the Toronto police, who has now gone to greener pastures as chairman of the Liquor Licence Board, I learned that he thought this suggestion was worth while. Apparently it is not new. He also felt that people should be encouraged to a greater extent to employ summer students in their homes and cottages.

There are many other things I should like to talk about at this time. However, there are other members who wish to speak and I shall close my remarks by making one more point relating to national objectives. I am certainly not trying to articulate our national objectives at this time. Some of our difficulties stem from the fact that we must work from election to election. It is not that we do not try to think of the long-term; it is merely that our thinking is circumscribed by the fact that we must face an election every four years or so. Nevertheless, the Economic Council is looking at the long-range picture. The Prices and Incomes Commission seems to be looking at some of our short-range problems. These problems are always present and affect management, labour and society in general.

It seems to me that if we could bring these disparate bodies of society together we would see, if we could look far enough ahead, that all of our national objectives are identical and that the things we each want in Canada for our children or for our children's children are the

things we want for society as a whole. If we could bring all these various groups together we would see, if we could look far enough ahead, that we have a mutuality of interest in the solution of our common problems and that we have common objectives. I think it would be found that our objectives and even our methods are not mutually exclusive. We could then fill in the gaps in greater harmony.

Since I know that we are to be favoured with an address by the hon. member for Prince Edward-Hastings (Mr. Hees), and because more members are now entering the House—they want to listen to him—and time is getting on, I shall defer to the hon. member.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, may I start by thanking the Parliamentary Secretary for his graciousness in terminating his remarks, thereby giving me a chance to finish my speech before six o'clock. I appreciate this very much indeed.

The budget that has been presented by the Minister of Finance (Mr. Benson) I believe could be summed up as an expenditure of $500 million to try to bolster the economy which, because of lack of positive government economic policies, has been allowed to run down in a rather shocking fashion.

Mr. Bell: Shame!

Mr. Hees: We all hope that this infusion of $500 million will greatly reduce unemployment. We can only wait to see what the results will be, hoping that they will be successful. I believe this budget pays far too little attention to incentives to stimulate the economy and make it possible for employment not to be provided just on a temporary basis as a result of construction projects but on a continuing and expanding basis. I believe that by stimulating the economy we could provide the expansion of our continuing economic processes, those processes carried out by industry, so that we could have not simply an increase in employment now but a continual increase of employment because the economy would be stimulated, would be moving faster and would be continuing to employ more and more people.

I believe that the 115 per cent capital cost allowance is a move in the right direction and will no doubt result in additional purchases of capital equipment which would not otherwise be made. I believe there are three other moves that the government could and should make at this time to stimulate the economy. First, it should bring great pressure to bear—and I know that these people listen when pressure is applied—on the chartered banks of this country to lower their commercial lending rates so that construction and the general operations of industry can be expanded and employment increased.

Second, I believe the government should introduce tax incentives in the form of tax rebates paid on the basis of increased productivity, which would induce industry to make the necessary expenditures on new plant, equipment and production systems which are needed in order to lower costs and selling prices, thus making our products more competitive, making it possible to sell them in greater volume and thereby enabling more people to be employed.

Third, I believe the government should announce that it has decided not to cancel the 21 per cent tax on the first $35,000 of corporate profits, which tax is particularly important to small businesses. It should announce that the 21 per cent tax will remain and will not be replaced by the regular 50 per cent rate. This kind of move, Mr. Speaker, is very much needed to restore the confidence of business in the future of the economy, and to persuade industry that it is justified in making the expansionary moves which we all know are being held back in large number at the present time.

Some hon. Members: Hear, hear!

Mr. Hees: That is making it impossible to employ the number of people we should like to see employed in our country.

I should like to speak for a few moments on the position of the Auditor General, who has been brought under attack very severely by this government during the past few weeks. Actually, there has been by the government a process of attack on the Auditor General for the past several years. These attacks have been brought to a head rather spectacularly during the past few weeks. For many years, as we know, this country has benefited greatly by having the expenditures of the federal government checked and commented upon in the yearly review to Parliament known as the Auditor General's report. Although the primary job of the Auditor General is to see that proper accounts are kept by all government departments, he is also authorized by the legislation to report on any matter that he considers should be brought to the attention of the House of Commons.

All governments, both past and present, have been embarrassed from time to time by disclosures of wasteful spending of public funds. This has made them more careful about expenditures in the future and the country has benefited as a consequence. From time to time, Mr. Speaker, when I was a minister I was shocked to learn from the Auditor General's report of stupid mistakes which departments for which I was responsible had made. Although it was extremely embarrassing at the time, the knowledge that a watchdog had a constant eye on our operations made me and those who worked for me do a better job of running the departments for which we were responsible.

Some hon. Members: Hear, hear!

Mr. Hees: All the members of the government did a better job because of the careful and constant watch which the Auditor General kept on all moneys spent by departments. But, Mr. Speaker, by the presentation of

the government's bill in respect of the Auditor General, all this was to be changed. The proposed bill would have taken away the right which the Auditor General enjoys under the legislation.

• (5:50 p.m.)

Mr. Deachman: I rise on a point of order, Mr. Speaker. The point of order is quite clear. There was before the House a bill dealing with the Auditor General. That bill was withdrawn with the unanimous consent of the House. I think the hon. member was a party to that decision. The hon. member knows one does not reflect in this House upon decisions of the House. The bill has been withdrawn; we cannot go back to it and discuss it in this debate. The bill was withdrawn by unanimous consent of this House.

Mr. Deputy Speaker: Does the hon. member for Prince Edward-Hastings (Mr. Hees) wish to speak to the point of order?

Mr. Hees: Yes, Mr. Speaker. As the hon. member who has just spoken will know if he reads the rules of the House, when a bill is disposed of by a vote of the House, whether it is passed or rejected it cannot be debated further in the session. When a bill is presented but is not acted upon, hon. members are at liberty to debate or speak about it as much as they want.

Mr. Deputy Speaker: Order, please. I wish to dispose of the point of order. It seems to the Chair that the bill having been withdrawn from the House, and the fact that this was by unanimous consent, will give more force to my ruling. The matter is not now before the House. The bill could be reintroduced by the government later this session. It seems to me, with respect, that the point raised by the hon. member for Vancouver Quadra (Mr. Deachman) is not well taken.

Mr. Hees: Thank you very much, Mr. Speaker. I ask Your Honour to note that the interjection of the hon. member has taken approximately four minutes of my time. I would appreciate it if I could go to four minutes past six o'clock in order to complete my remarks. As I said before I was so rudely interrupted, the proposed bill would have taken away the right which the Auditor General enjoys under the present legislation of calling to the attention of Parliament instances of wasteful spending of public funds that have come to his attention. I refer to such items as the *Bonaventure*, the $8 million St. Lawrence harbour that will never be used, and the approaches to the Prince Edward Island causeway. The proposed bill would have restricted him essentially to a bookkeeping function with no right to comment on bureaucratic mistakes and extravagances.

Hon. members know that the first move along the road to dictatorship is the removal of criticism by a government or would-be dictator. That the government would think it could get away with a move which would have removed it from detailed and informed criticism for misuse of funds is a shocking example of arrogance and is a measure of how far this government has moved along the road to dictatorship.

This measure was obviously aimed at the present Auditor General, Maxwell Henderson. Over the years, under both Liberal and Conservative governments Mr. Henderson has been diligent in reporting to Parliament and the public instances of wasteful and foolish government spending. This has apparently irritated cabinet ministers and senior civil servants to the point where today they have decided that at all costs and in any way available to them he will be removed from office. If they had succeeded it would have been one of the most serious blows ever struck at parliamentary government in this country. The time to stop this march toward dictatorship is now.

Even before last week the opposition made it very clear that they intended to fight every inch of the way this latest move to suppress criticism. As a consequence of this determination the government lost whatever courage it posessed, which was very little, turned tail and ran. However, Mr. Speaker, the government's position has been made very clear by the undermining of the position of the Auditor General—which members of the cabinet have systematically undertaken, by the downgrading of his staff and the undisguised hostility which members of the cabinet openly show toward him.

The position of the Auditor General should be further protected from this government and any future power-hungry government which would like to prevent any criticism of its actions. I am convinced that further protection should be given to the Auditor General by requiring a two-thirds vote of both Houses of Parliament in order to remove him from office, instead of the present simple majority. A simple majority vote enables a government with an over-all majority, such as the present Liberal government which also has a majority in the Senate, simply to call in its members and vote him out of office.

The hostile attitude of the government makes it obvious that added protection is needed for the office if the Auditor General is to continue to carry out the very valuable task which he performs for the people of Canada. I believe that such a move should be brought before Parliament at the earliest possible moment, for the benefit of parliamentary government in this country.

Mr. Knowles (Winnipeg North Centre): May I call it six o'clock, Mr. Speaker?

Mr. Deputy Speaker: Is it agreed that the hon. member for Winnipeg North Centre (Mr. Knowles) shall call it six o'clock?

Some hon. Members: Agreed.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Allen B. Sulatycky (Rocky Mountain): Mr. Speaker, I should like to commend the Minister of Finance (Mr. Benson) on the budget statement he delivered to this House last week. I believe Canadians should hear more statements of this type. In addition, his address contained a budget which I believe will strike with pinpoint accuracy at the most troublesome areas of unemployment in the country.

However, it is not so much the budget itself I wish to discuss tonight as the statement which went with it and the confidence displayed in that statement, though the budget itself was certainly well thought-out and contained a program vastly better than anything presented in the last few hours by spokesmen for the opposition parties. But let us consider the budget statement for a few minutes and examine some of the confident statements which the minister made, together with some of the facts to which he drew our attention as far as the Canadian economy is concerned.

My hon. friend pointed out that employment is, in fact, rising in Canada and that unemployment on a seasonally adjusted basis appears to be decreasing. He went on to say that real output in the economy is rising. Later he told the House we were experiencing a considerable boom in housing in Canada and that apart from housing, capital investment was strong. He said, further, that 1970 would go on record as the best year ever in international trade. Last, he informed us that Canada had achieved a record envied by other countries in the world in putting the brakes on price increases. From the third quarter of 1969 to the third quarter of 1970, consumer prices rose by only 3 per cent compared with 5.7 per cent in the United States and even larger increases in many other countries. Only one country had a better record, Finland, with an increase of 2.8 per cent.

The minister did not paint a completely rosy picture. He admitted there was an unemployment problem and said that the rate of growth of employment must improve. But all in all it was a very optimistic and confident statement, the kind of statement which is rarely heard in Canada these days. Sometimes, when we display optimism of this kind as we discuss the prospects of our country we are accused of being stupidly patriotic. Generally, when this House discusses the future of our country and the prospects of its economy we display a most pessimistic attitude. This negative or pessimistic attitude is evident throughout the country as it is in this House. I noticed it on the evening the Minister of Finance made his statement. Whenever he expressed confidence in the Canadian economy or in the future of this country there were snickers and guffaws from the opposition benches.

This is indicative of the attitude taken by some members of this House, including the Leader of the Opposition (Mr. Stanfield). I have heard it expressed on other occasions; for example, during the debate on the Speech from the Throne. But it does not alter the fact that the vast majority of the people still have great confidence in this country. I believe we have to fight the type of negative attitude displayed by some people in this country and in this House. It is nothing new. The pages of history are filled with pessimistic predictions as to Canada's future. The one which perhaps most ludicrously underestimated Canada's potential appeared in an English newspaper of 1871 as follows:

> A word or two on Canadian finances in general would be in season. Canada is one of the most overrated colonies we have. The country is poor and crushed with debt. The province and city of Quebec are notoriously bankrupt.
>
> In the end, the Dominion will have to go into liquidation. One day, when the load gets too heavy, Ontario is pretty certain to go over to the States, into which it dovetails and where its best trade outlet is.

• (8:10 p.m.)

I suggest it is time we began to develop a positive attitude in relation to the prospects for this country, which are certainly very bright indeed. The attitude of people in this country seems to be that that we should criticize everybody and everything. This includes foreign countries. It is time we began to look at the good things in Canada and to take an optimistic and positive approach, the type of approach that the Minister of Finance took in his budget.

I should like to quote from a recent article that appeared in the Banff *Crag and Canyon* in which the editor was berating the Canadian Broadcasting Corporation for its anti-American attitude. In a constructive spirit he suggested that the CBC should present a program on what a good country Canada is and how we as citizens can make it even better. He went on to say:

> Maybe a series on the opportunities to get away from it all in the north and the chances to make a good living there.
>
> Certainly, there are plenty of people in other parts of the world who would welcome the chance to come to Canada—to enjoy the things we take for granted.
>
> The CBC should be pointing out, to Canadians, the many good things that await them right in their own country and forget about wasting the taxpayers' money on expensive programming beating the daylights out of the United States of America.

Those people who take a negative approach seem to think that government should do everything for them. They criticize government because it is not doing enough, and seem concerned only with what government can do for them personally. I suggest this approach is not only improper but does not display the type of positive attitude that has brought this country to its present state of prosperity, an attitude it will be necessary to adopt in the future to bring about even greater prosperity. Those who take a negative approach feel that some powerful central authority, be it a provincial or federal government, will look after them. Instead of expecting the impossible, I suggest these people should show a little initiative and attempt to improve their own position, as they could well do if only they would so determine.

Many people in this country have the idea that it is a wealthy country, that Canada has great resources, that the land is rich and that from the land and its resources we can do well economically both as a nation and as individuals. I suggest that the time when we can do this

is almost over. It is time we began to think, not of what we can get from the land to make ourselves wealthier but what we ourselves can contribute to this country.

I was interested to note that of all the industrialized nations of the world, Canada appears to be the least inventive. According to my information, residents of at least ten major countries filed patent applications at rates very much in excess of the rate in Canada. For every one patent application filed in Canada by a Canadian, 18 are filed by foreigners. Canada's rate of inventiveness is probably the lowest in the entire world. I suggest this is because we expect the country to be rich, to give everything to us. We do not use our intuition and apply our talents to the inventing and devising of methods to improve our economic situation and to develop technology. I suggest this attitude is due to our negative outlook.

I should also like to quote from an article that appeared several months ago in a leading United States daily. This article very much reflects my own opinion of the attitude of people toward government and toward what they expect from government, and illustrates how individual initiative contributes toward both economic and social growth. The article reads, in part:

> There are few greater powers on earth than the cumulative effect of individual initiative rightly directed—
>
> Today, as they look about them, men are staggered by the immensity and the complexity of the problems confronting them. The threat of war, spreading pollution, racial bitterness, vast poverty, urban blight, crime and violence, the withering away of moral and religious standards, personal and public tensions, these and many more challenges bewilder the individual. And, to a degree unprecedented in history, millions look to some central source of public authority to save them.
>
> But one need only talk with wise public officials, with thoughtful political scientists, with insightful historians to perceive how fruitless it is to look to such central authority to make the world, or a nation, right.
>
> What is required is the awakening of a realization that most of these problems—above all, those which stem from a lowering of personal and civic standards—can only be solved through a massive grass roots effort. There must come the time when the average individual recognizes that he must actively participate in solving one or more of the problems which he sees around him.
>
> Such individual effort has a breadth, a sweep, an inspiration which no organized government program can equal.

I believe that is the type of initiative that comes from taking a positive approach. It is the attitude that is engendered by the sort of positive statements that the minister made last week in his budget address which help to build a belief in Canada, a belief that will foster economic growth. Aside from the benefits that will accrue from the programs announced in the budget, the optimism and confidence expressed in the speech are a very good sign for Canada.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I have to agree with one remark made by the previous speaker, the hon. member for Rocky Mountain (Mr. Sulatycky) namely, that the statement we heard last Thursday evening from the Minister of Finance (Mr. Benson) is the kind of statement that is not too often made. On behalf of the Canadian people I say thank God it is not made too often. It is quite obvious that what the colleagues of the Minister of Finance refer to as a budget speech is nothing more than the confession of the Minister of Finance and the government that their illogical and insane policies, their so-called war on inflation and their deliberate attempt to create unemployment have had, as we on this side of the House predicted, a ruinous effect on the economy of this country. This government has forced the economy to the brink of disaster by its illogical and ill-conceived policies to fight inflation.

Sitting in this chamber and watching the Minister of Finance deliver his address last Thursday night, one got the impression that his skin was so thick that in comparison a rhinoceros would be a sensitive creature. The Minister of Finance demonstrated to the Canadian public that he does not know where his economic policies are taking this country. Certainly, this budget is the latest piece of documentary evidence we have had to prove this point.

• (8:20 p.m.)

Last March we saw the minister stand in his place and say to the Canadian people that the brakes were on. The words he then used were "restraint," "cutback" and "tighten the government's purse strings." He said a surplus was essential for our economic well-being, and to hell with unemployment; because the Minister of Finance, as did his leader the Prime Minister (Mr. Trudeau), made the statement that they were prepared to drive unemployment to an all-time high in an endeavour to win their so-called, phony war on inflation.

In his budget speech on Thursday night, without batting an eyelash the minister performed a complete about-face. Instead of forecasting a budgetary surplus of some $300 million, he said there would be a deficit of $320 million. In spite of the fact that we have a seriously sick economy with probably the highest rate of unemployment in years, with housing starts right across the country, especially in the Atlantic region, at an all-time low, with profits and volume of new business declining rapidly, the minister talked as if the economy was never better and is going ahead full blast. The minister would have us believe that the economy is advancing in leaps and bounds, that the unemployment situation is rapidly disappearing and that seasonally adjusted unemployment is rapidly falling off.

The minister would have us believe that we are having a boom in housing and that we will go into 1971 with an all-time high and, as he stated, one of our best years in international trade. It is quite obvious that the minister is being fooled by his own figures, because in 1970 the unemployment figure rose to an almost all-time high, with predictions being made by competent economists and those who are eminently qualified to make such predictions that unemployment will increase possibly to 9 per cent.

In spite of the remarks of the minister concerning the housing boom and the number of starts, in fact housing starts as of November 10 in the Atlantic area showed a decline, for the first nine months of this year, of 39 per

cent. The minister, with his usual contempt for the unemployed of this country, announced an immediate increase of 10 per cent in the rate of benefit for those receiving unemployment insurance. I am sure the people on the rolls of the unemployed must think this is a magnanimous effort on the part of the Minister of Finance and the government! It amounts to an additional $4 or $5 a week.

We on this side of the House feel that the government has an obligation to do everything possible to alleviate the suffering of those unemployed this winter, particularly in view of the fact that their plight is due in no small measure to the actions taken by this government in the past year and a half. If this government had any real feeling for the unemployed people it would have proposed an emergency amendment to the Unemployment Insurance Act to provide for substantially increased benefits from January 1 to July 1, which will be the critical months ahead for people on the rolls of the unemployed. The increased benefits should be in line with the recommendations of the Gill report. The present ceiling on unemployment insurance benefits is $53 per week. We believe in updating the Gill report recommendations which would increase the ceiling for a man with dependants to $60.24. This figure is arrived at by calculating the benefits as 60 per cent of income. There is currently a surplus in the unemployment insurance fund of $464 million, which we believe is adequate to finance such a temporary measure.

We believe that the government should have removed the 3 per cent surcharge on personal income and corporate taxes. It is estimated that such a move on the part of the government would inject an additional $150 million into the private sector of the economy. If this government had been seriously interested in helping Canadians and in trying to stimulate the economy, not only would it have removed the surtax but it would have announced a 10 per cent reduction in personal income tax for those earning less than $6,000 per year. This would have injected an additional $140 million into the economy. This additional money would have been injected mainly into the economy of the more depressed regions of Canada where the distribution of personal income is less, particularly the Atlantic provinces.

The government's proposed amendment to the Regional Development Incentives Act, which will have the effect of including a part of Ontario and Quebec including Montreal, will be seriously detrimental to the Atlantic area, especially to the province which I represent. What chance do the Atlantic provinces have to compete with new industry when so much of the industrial heartland has been made eligible for incentives? With close to 65 per cent of Canada designated as special areas in the economy, economically depressed, underindustrialized areas can no longer have special status. As somebody said the other day—I believe it was in the *Globe and Mail*—when everything is designated, nothing is designated. With regard to the province of Newfoundland, the only benefit we will derive from the budget presented by the Minister of Finance is the $5 million allocated to the guaranteed loans program. Maybe we can look forward to another $1 million in Newfoundland through accelerated public works programs, but this will not achieve the objective of substantially reducing unemployment in my province this coming year.

While I am talking about unemployment I should like to refer to a question I posed to the Minister of Economic Regional Expansion (Mr. Marchand) this afternoon concerning the plight of the people in the Argentia area of my riding, where things are pretty tough as a result of the phase-down of the United States naval station three. On July 6 of this year the Minister of Transport (Mr. Jamieson) went to Newfoundland and with his usual described as an emergency assistance program aimed at flurry announced that a $2 million plan, which he softening the effects of the phasedown of the U.S. naval station at Argentia, would be put into effect. In his usual style he went to great lengths to describe them as crisis projects. They include the construction of a community stage and other facilities for the fishermen. They include the construction of a boatbuilding and boatrepair facility. They also include $100,000 in the way of boatbuilding subsidies.

The minister indicated the government would make $450,000 available by way of grant to enable the department concerned to make an immediate start on the Castle Hill national historic park. He referred to a sizeable amount of money for the reconstruction and paving of approximately nine miles of road in the area. He referred also to a recreational area in Jersey Side leading to a nature trail at a site close to the Castle Hill project. As I have said, the minister's statement did not amount to very much and the people in the area have concluded that it is nothing more than a blast of hot air. I might add that only one or two of the projects announced by the minister, on which he claimed some $2 million would be spent, have been started. Less than $500,000 of that amount has been spent on the projects and this has not provided many jobs.

• (8:30 p.m.)

It seems the government has recognized the real extent of the emergency in words only, because of all the projects announced only two have actually commenced. If that is the best the government when it has been recognized by all concerned that a real emergency exists and a large number of people have been thrown out of work because of circumstances over which they have no control—such as the phasing down of the U.S. naval station—I would hate to see this government endeavour to bring in benefits in an area where an emergency does not exist.

In all fairness to the Minister of Transport I should say it is quite possible he is not solely responsible for what is happening in that area. It is possible he is not receiving full co-operation from the Newfoundland government. It is possible he is not receiving the required co-operation from other government agencies which are involved, and it is possible the bureacracy has taken over with its usual

lack of response to the problems facing the people of this nation.

There are a number of possible excuses that could be put forward by the Minister of Transport and his colleagues in the cabinet, but I am afraid that is of little consolation to the people of the area who face serious social and economic consequences as a result of the U.S. naval station being phased down. I am inclined to believe that the Minister of Transport, presumably speaking on behalf of his colleague the Minister of Regional Economic Expansion, has led the people down the garden path with nothing but empty promises of grandiose plans involving multimillion dollar expenditures. The people concerned in the area do not condone such action on the part of our government. Too much time has already been lost. These people have been left up in the air for almost a year, with very little more to show than they had last year at this time.

I urge the government and the Minister of Regional Economic Expansion especially to take immediate action to bring relief to the people of the area who are desperately groping for a way in which to retain their independence and keep body and soul together. I also urge the government to make representations to the United States government with a view to having the existing facilities which are not now being used by the base, and are lying dormant, turned over to the Canadian government, the Newfoundland provincial government or the private sector for possible development. I have great faith in that area of Newfoundland. I believe it has the necessary potential to get back on its feet if the government is willing to go in there and do its share in helping the various groups that are desperately groping for an answer to the very serious problems facing the people.

To return to the special incentives program announced by the Minister of Finance on Thursday last, I am convinced this will have a detrimental effect on the economy of the so-called have-not provinces, especially the Atlantic provinces of Canada, because I believe by designating parts of Ontario and parts of Quebec, including Montreal, as special areas little incentive will remain for industry to establish itself in the Atlantic region. So I do not believe we have any great reason to be jubilant or to get on our knees to the Minister of Finance when he states that other areas will be designated as special areas under the special incentives program, because this will have a detrimental effect on the Atlantic region.

I do not think we have any great reason to be jubilant over the announcement of the Minister of Finance in respect of the other incentives he says are being suggested by the Department of Regional Economic Expansion when we realize that almost 80 per cent of the money allocated for special incentives will be pumped into the new Quebec designated areas. I might ask what this leaves for Newfoundland or the other eight provinces of Canada which so desperately need added incentives for industry and new employment opportunities.

It has been said that the Minister of Regional Economic Expansion, in lauding the program of his department expects it to create a number of jobs in Canada because money is to be made available to industries under the Regional Development Incentives Act. What the minister does not say, in announcing that 500 jobs will be provided here or 500 jobs will be provided there, is that he is speaking of perhaps ten years hence, and that while the industries to which assistance is provided are projecting a total employment of 500, 1,000 or 1,500 people, it does not mean they will start employing that number of people right now in 1970 or, indeed, in 1971. Some of these industries will fail. Some will never get off the ground.

I believe the minister mentioned an industry in the riding of my colleague the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). This was to be a hockey-stick factory which would employ 50 or 75 people. This figure is being used by the minister and his colleagues in an effort to boost their own stock and justify the action they are taking under the special incentives act. However, the industry to which I refer never got off the ground. It is dead before it can start. Many of the plants which we hear about, and which are expected to employ large numbers of people as a result of special grants from the department, never get started; consequently, the minister is misleading the Canadian people by endeavouring to have them think he is providing these jobs as a result of special grants and other incentives to industries in certain areas.

To sum up, I would have liked this government on Thursday night, through the Minister of Finance, to have shown its sincerity and its desire to strengthen the economy by taking a number of concrete steps and making definite proposals which I believe would have the effect of strengthening the economy. I believe the government should have removed the surtax on personal and corporate income and should have made every effort to restore business confidence and lay the groundwork for the private sector to expand the economy, because true expansion can only occur in the private sector.

I believe the government should initiate reforms in the construction industry. This could be done by reducing or eliminating the 11 per cent sales tax on building materials. We have heard the minister in this House express a desire to increase the housing starts in Canada and make it possible for the Canadian earning an average salary to acquire a home of his own. There is one thing the minister could have done: he could have followed the recommendation of his predecessor by impressing upon his colleagues in the cabinet the need to eliminate or reduce the 11 per cent sales tax on building materials. Such a move on the part of the government would have been an expression of its sincerity in trying to bring an end to the housing problems and in providing housing for the Canadian with an average salary.

• (8:40 p.m.)

We believe, also, that the government should increase the amount of money for mortgages available through Central Mortgage and Housing Corporation. We believe these moneys should be made available on a regional

basis. There are parts of Canada where housing is more badly needed than in other areas; therefore, we believe that in certain provinces—and I can speak for the province of Newfoundland—much more money is needed for housing than in the more wealthy provinces.

When the minister referred to his magnanimous offer of $40 million for housing, this was an insult to Canadians and especially to those who are now living in substandard conditions. I say this because $40 million is not even a drop in the bucket and certainly will not go any way toward solving the housing problem in Canada. Indeed, I can tell the minister ways in which this $40 million could be spent in parts of my riding.

Therefore, as I said at the outset, the budget speech was obviously an admission by the Minister of Finance and his colleagues that they have been wrong in their policies to fight and to curb inflation. He gambled but he has lost. He is not prepared to go all the way and admit his mistake, so he is trying to soften the blow by bringing in a few temporary measures, makeshift measures, that will have no lasting effect on the economy of our country.

I conclude my remarks by repeating what was said by the Premier of British Columbia, that the Canadian people would have been 3 per cent better off had the Minister of Finance sat in his seat and not risen to make the non-budget speech on Thursday night.

Mr. Hubert Badanai (Fort William): Mr. Speaker, it has been said that one thing as sure as death and taxes is the certainty that a finance minister in presenting his budget is immediately denounced as inept and shortsighted, no matter whether he proposes a raise or a reduction in taxes or confirms them as they are. On Thursday, December 3, when the Minister of Finance (Mr. Benson) read the budget speech, the opposition reacted as predicted. They said, "Nothing good is in it. It didn't lower taxes. It didn't forecast a surplus. It didn't raise the security pension to $150 for everybody without a means test". According to its critics, the budget was a useless exercise.

Let us examine the proposals in this document without prejudice and see whether there is anything good in them. To an unbiased observer the budget reveals a 16 months program of spending that will pour $300 million into the battle against unemployment. It will add a further $200 million to the economy to pay for the announced increase in old age pensions and guaranteed supplements.

Unemployment insurance benefits are to be increased by 10 per cent immediately. Loans totalling $150 million will be made to provinces through a fund to finance job-creating capital projects next year. A further $23 million will be allocated to federal departments and agencies for capital improvements in areas of highest unemployment, which will also take care of the province of Newfoundland. A further $20 million will be allocated to development of roads and other local services for the new Montreal international airport.

[Mr. Carter.]

The capital budget of Central Mortgage and Housing Corporation will be increased by $40 million for housing projects. The industrial incentives program will be expanded to establish a new system of capital incentive grants for areas of acute unemployment and to establish a system to guaranteed loans. The group of measures includes the assistance to shipbuilding announced recently by the Minister of Industry, Trade and Commerce (Mr. Pepin), which I hope will also assist the Port Arthur shipbuilding yards in northwestern Ontario. A capital cost allowance supplement will permit manufacturers and processors to value investments at 115 per cent of actual cost and enjoy higher than usual depreciation on capital projects. Business enterprises that will be affected will save an estimated $25 million in taxes in the fiscal year 1971-72.

These and other benefits contained in the speech of the Minister of Finance are designed primarily to take care of those in the low-income bracket and to boost employment, and are aimed specifically at increasing capital investment in industrial development. I congratulate the minister for resisting the temptation to cut taxes prematurely, because had he done so he would not have been able to announce a program of jobless benefits and an increase in pensions, to say nothing of grants to Canadian shipbuilding.

The official opposition's critical assessment of the measures contained in the budget does not make sense, and they have failed to indicate any positive changes that under the circumstances could be construed as being practical. As far as members of the New Democratic Party are concerned, they can always be counted on to introduce proposals to cut taxes and, of course, to introduce programs costing impossible sums of money.

The budget was to a great extent based on the proposals contained in the white paper on social security, about which the Ottawa *Journal* of December 1 in its leading editorial said something to the effect that when the white paper proposals are implemented, Canada will have the most comprehensive guaranteed income plan in the world. The editorial reads in part:

> That is the answer to doctrinaire socialists, or dreamy idealists, who say that the white paper does not go far enough in redistributing income.

Happily, the year 1970 was our best year in international trade. The clouds that darkened our economic horizon were relatively high unemployment and inflation, and the budget was geared to fighting these enemies. I have no doubt that the government will continue to introduce measures to control both.

• (8:50 p.m.)

While our economy has been greatly helped by healthy exports, I should like to suggest that the re-pegging of the dollar at 2.5 cents higher than it was, thus setting the Canadian dollar at 95 cents in relation to the U.S. dollar, would have an immediate impact on earnings in the pulp and paper industry, iron ore and most of the other export industries. I mention the pulp and paper industry in particular because the constituency which I represent,

along with others in northwestern Ontario, is heavily dependent upon the export of pulp and paper as well as other forest products. The increase in the value of the Canadian dollar has posed a very serious problem for most export industries. I believe that industries affected by the present exchange situation are not likely to attract capital for investment unless the government decides to revalue the Canadian dollar at a more realistic rate than the present one.

Contrary to the belief of some of our economic nationalists who are forever deploring foreign investment in Canada, we still need investment capital, preferably Canadian of course. But Canadian capital alone is not sufficient to meet the demands of an expanding economy to reduce unemployment to the minimum. It is all very well to urge increased ownership of Canadian resources and industry whenever possible, provided we do not discriminate against the non-resident investor. We should be thankful that foreign investments have made possible the standard of living which we now enjoy.

My colleague, the hon. member for Kenora-Rainy River (Mr. Reid), when speaking at the recent policy convention of the Liberal party in Ottawa pointed out that the economic nationalism campaign is a campaign of the rich in areas such as Toronto and southern Ontario, where there is not any shortage of capital, and is not concerned with other parts of the country where there is shortage of capital. I even find the nationalism of the Minister of Energy, Mines and Resources (Mr. Greene) as expressed in his speech which he delivered in Denver, Colorado, hard to take. Happily, he has since declared that he had been misunderstood.

When the government tables the policy statement on foreign ownership, I hope it will not contain some of the extreme proposals made to it in the report of the House of Commons Committee on External Affairs and National Defence. I was not a member of the committee at that time but I have had a chance to study the report since it was made public. It appears that the report was approved by the committee with undue haste. It suggested, as a guideline, 51 per cent Canadian participation in foreign companies and that an alien control agency supervise and control the activities of foreign firms in Canada.

I for one would disagree most emphatically with any such proposal, and I would have cause to worry greatly were it not for the fact that I have confidence in the good sense of the cabinet to reject any such inconsiderate recommendation. I have reason to believe that this final recommendation was made at a committee meeting when only 17 of 30 members were in attendance, and of those present only 11 voted for it, one voted against the proposal and five abstained from voting. On a matter of such grave importance I submit that the report in question should be recalled by the chairman and reintroduced into the committee for further consideration.

Canadians, unfortunately, are not inclined to gamble on risky things the way our friends south of the border do, yet some Canadians resent our neighbours' desire to control something here which they brought about with American money and initiative. We should be aware that Canada's economic potential in the field of resources still requires foreign capital to develop it.

One Deputy Minister of Energy, Mines and Resources, Mr. Jean-Paul Drolet, made more sense than did his minister when he stated, addressing the Canadian Institute of Mining and Metallurgy convention on the subject of foreign ownership of our natural resources, that the controversy over foreign ownership is unimportant as long as the best interests of the Canadian people are being served, and that the government must work with the mining companies, no matter what country they come from, in order to best serve the interests of Canadians. I am talking about partnership between the government and private enterprise for the benefit of the community", the deputy minister said. A number of studies have suggested that whatever the criteria, foreign-owned companies do not perform very differently from domestic-owned companies and the government should intervene only when the interest of the Canadian people is not considered first.

We are concerned with an industry that has an annual value of about $5 billion and is expected to double in the next ten years. "Foreign investment," said Mr. Drolet, "comes to Canada because foreign investment is essential to Canada's economy and its growth." Capital investment means expansion, expansion means jobs and jobs mean prosperity for all. I have never heard a man working for the Great Lakes Paper Company, Abitibi, Canada Car or Steep Rock Iron Mines complaining or wondering whether the shareholders are Canadians or Americans. What employees are concerned with is continuity of their jobs. That is what we want—jobs.

Mr. Alexander: Right.

Mr. Badanai: While the budget speech did not make a direct reference to pollution, this question is taken very seriously by the government. The Minister of Fisheries and Forestry (Mr. Davis) has been devoting a great deal of his time to solving the problems of pollution. He is an ardent advocate of pollution control measures and has succeeded in making industry sit up and take notice. Of course, pollution control will be a costly program which will have to be extended over a period of many years. The government will have to decide what is absolutely essential and urgent and what can be deferred.

I have here, Mr. Speaker, an article which appeared under the heading "Special Report—Pollution Control" in the Newsletter issued by the Spruce Falls Power and Paper Company, Limited, in February, 1970. The report reads in part.

> Water is one of our great natural resources. Without it we could not exist. Our bodies need it as much as our industries do. We drink it and are refreshed. We wash in it and are clean. We swim in it and are exhilarated. We fish in it for sport and for profit. We build homes and cottages near it for aesthetic satisfaction. We build factories near it to have transportation routes and because industrial processes require it. Clean water is life-giving, yet many of this country's water sources are polluted.

The Budget—Mr. Badanai

• (9:00 p.m.)

Pollution has existed from time immemorial. As a problem, however, its impact has only been felt since localized population densities have produced more waste than our lakes and streams can assimilate.

Pollution comes from three major sources: from human and animal waste, from industry and from erosion carrying soil and debris into our lakes and streams.

In spite of the excellent past and present work by some municipalities and industries, many of our lakes and streams are still polluted—

Water pollution has become a national problem.

One clear trend that emerges from a look at the economics and politics of water pollution control is that the politics are fast becoming more important than the economics.

"The public hue and cry," says the *Pulp and Paper Magazine of Canada*, "will pressure Canadian industry into cleaning up its streams over the next decade despite the cost." The only slim hope is that industry can succeed in educating the public and government to adopt reasonable water quality standards, stringent enough to keep the water clean but not so expensive that they will force industries out of business. As one industry executive put it: "A pristine pure stream would be of small consolation to a man deprived of the means of earning his living"—

Many companies have made extensive investments in waste control systems during a period when there was little if any legislative pressure on them to do it. In many cases there was some financial return on the investment. But now that governments are stepping up their requirements and introducing stringent standards, considerable outlays will be required to meet these new conditions, and there will be little or no financial return.

Money is one of the keys to solving many problems in the pollution field. The technology is advancing and with enough money much can be done to improve our environment. However, we are still searching for means that will give the desired result that the country can afford based on economics. As federal justice minister John Turner said: "The physical solution is available. The problem that remains is an economic one, and perhaps, an administrative one. It costs money to treat water before discharging it into a stream."

In the nine-year period from 1960 to 1969 inclusive, Canadian pulp and paper mills representing 75% of the industry's total production spent more than $95-million on pollution control facilities—

In Ontario alone, it is estimated that primary treatment for all mills would cost $28 million and even this amount would not reduce suspended solids to the required OWRC regulations. In Quebec, the water board estimates mills in the province will have to spend $100 million to meet the board's recently announced requirements.

Looking at the industry as a whole, some estimates have placed the further capital cost of pollution control in excess of $250 million, with an annual operating cost of $40 million, to install primary and secondary treatment in every mill in the Canadian pulp and paper industry.

On a former occasion, Mr. Speaker, I indicated in this chamber what the pulp and paper industry is doing in its efforts to control this menace. The Great Lakes Paper Company in Thunder Bay, for example, is spending millions of dollars to curb the pollutants which infest the air over the Kaministikwia River, and they are to be congratulated on their successful beginning. Of course, the most desirable condition would be a pollution-free environment, but this ideal state is only possible in a completely sterile environment in which there is no life.

It would be most desirable to have both the housing to accommodate the increasing population and the facilities for work and recreation in a pollution-free atmosphere. But in our growing urban and industrial community we must learn to live with change. We must also recognize that people create pollution. The fact that we cannot achieve perfection is no excuse for not doing as much as we can, but we still have to be practical and realistic. The fact that the government, in co-operation with the provinces and the United States, is deeply concerned about the problem of protection of the environment on the borders of our Great Lakes is shown by their seizing every opportunity which new technology is bringing into the control of pollution.

I am also concerned about the St. Lawrence Seaway Authority, which is reported to be seeking higher tolls on the Seaway and the imposition of tolls on the Welland Canal, which would adversely affect the economy of Thunder Bay and northwestern Ontario. Cheap transportation has always been vital to Canada's success as an exporter. Owing to the vastness of the country, this factor must be kept alive if we are to export surplus wheat, iron ore and other goods and supplies economically. In reverse, the price of imports would probably soar if rates were scaled up. The shippers would just foist increased fees on the consumer in the form of higher prices for goods purchased.

Ontario manufacturers, basing their business on export, are already facing fantastic competition from countries which possess a number of advantages. The Seaway Authority is running the risk of putting Canadian industry out of competition if it raises user charges and increases export costs. The result would not help to reduce unemployment. I would therefore urge the government to reconsider any proposals for raising fees on a transportation system because the net effect of such an increase would be increased prices of food and services.

In the matter of housing, every community has its problems. The Minister of Finance (Mr. Benson) has recognized the need to boost the capital budget of Central Mortgage and Housing Corporation. Under the capable leadership of the minister responsible for housing and urban development, these problems are being tackled with vigour and intelligent application in an effort to give every family in the land a decent home.

The budget, Mr. Speaker, reflects the goals of the government: the reduction of unemployment, the control of inflation, the promotion of social justice, and it seeks to encourage a prosperous economy.

• (9:10 p.m.)

Mr. A. P. Gleave (Saskatoon-Biggar): In discussing this motion and amendment, Mr. Speaker, one wonders what the main purpose was in presenting this minibudget. Some people have been unkind enough to suggest that the purpose of the budget was to retain the 3 per cent surtax. That may have been the prime objective. The whole tenor of the budget creates the impression that the government is unsure about where it is headed. It is not sure of the means to get there and does not know what it wants to accomplish. Is the main commitment to correct

the heavy unemployment situation, or to fight inflation? The budget does not indicate which.

The budget does not set out a clear plan or program to accomplish whatever end the government has in mind. It leaves the impression that the government intends to act as an umpire in the Canadian economic arena. When those engaged in the struggle fall out of the ring, the umpire will pick them up, throw them back in and tell them to try again. I quote from the document entitled "Budget Highlights" as follows:

Most economic indicators show improving trends in the Canadian economy. Employment is rising, unemployment appears to be falling—

Employment only appears to be falling! I continue quoting:

—and we have moved out of the pause in the growth of production of goods and services.

It states that there has been a pause. Nothing has been happening. The people of Canada know that nothing has happened. It has now been put on the record. I am reminded of an old saying of many years ago, that prosperity is just around the corner. The government could have used the old stock phrase rather than inventing a new one.

Latest figures suggest that the high level of exports established early in 1970 is being well sustained.

Canada's price performance compares extremely favorably with all other major trading nations of the western world.

As stated by a previous speaker, Canada has dropped to fourth place among the western nations with regard to standard of living. There is no commitment to full employment in this document. There is nothing to assure the Canadian people that they will not lose their jobs and become non-earners. There is no commitment to fully use the resources of Canadians. Some hon. members have referred to large figures. The previous speaker talked in terms of billions of dollars. Perhaps some day we will be told how much was lost in productivity because of the number of people who were unemployed last year. I wonder what the total would be in terms of houses, roads and bridges that could have been built for Canadians to enjoy.

We hear and read many statistics, but to get the true picture we must talk to the people involved. A sign on a very good house in Saskatoon indicates that it is for sale. Why? The owner, an architect, has found it necessary to leave Saskatoon because of limited job opportunities. It was necessary for him to move somewhere else to get a job so that he could support his family. A worker in a hotel, whom I happen to know, advised me that her sister had been fired from a beauty establishment because there was not enough work to keep her busy. The owner of the establishment simply advised her that her services were no longer required. These are people, not just statistics. This is the way our economy has been functioning. Farmers are told to take their land out of production. People trying to sell clothing and other items to retail and other outlets in Saskatoon are not receiving the size of orders that they normally do. There are rental signs in the wholesale district of that city. These facts indicate what is actually happening to the economy.

Canadians hoped for the presentation of an economic pattern for this country in the budget. Instead they are left with the unpleasant and uncomfortable feeling that unemployment will continue to be high this winter. There is no clear indication of what will happen next summer. High interest rates continue and investors are discouraged. This affects all sectors of the economy. It affects that part of the economy in which I have always earned my living. It affects farmers who wish to invest in machinery, a feed lot or the various other enterprises involved in a farm. The government is proposing subsidizing loans for capital growth. Were will it all end?

The previous speaker talked about the need for foreign investment. There is division in the country on this matter. He is, of course, entitled to his opinion. We have reached the point where we bribe foreign investors; they are paid to locate in certain areas of Canada. I shall give an example to show how ridiculous the situation is. In the city of Saskatoon a refinery was built from scratch by local people. It was bought by British American Oil, resold to Gulf Oil and is now being closed. Well paid people are being moved out of this city, people who were employed in that industry. They are going to Alberta, to British Columbia and to Nova Scotia. Yet this was industry which we had established in that city, an industry which paid for itself from the time there was only a little service station there. All the money necessary for its establishment was earned out of Saskatoon and out of the Prairie region it served. It will no longer be there, and we are now trying to persuade smaller industries to come in.

• (9:20 p.m.)

In another area of Canada, $6 million is going to a foreign outfit. Do you know how things will end up, Mr. Speaker? A while ago I was organizing a rural area and a chap drove me around. I asked what he was doing and he said, "I was farming up to last spring." I asked him why he quit and he said they had sold the farm. When he was a young man he told me he had rented a half section. He said he would take me around and show me. It was one of the best half sections in the area. He was very proud of it. He took me around and showed it to me. He said, "I planted those trees. That is a nice farmstead. I kept it painted." I said, "Why aren't you still there?" and he replied, "The lady who owned it decided she would sell it to her nephew."

That is where this country is heading. We shall work the land, plant the trees, improve the buildings, make a nice farmstead, and when it is done somebody else will own the thing and tell us we are through. It is time we quit being starry-eyed and decided where we are going. Mention has been made of the large sums of money which will be made available to the province of Quebec. I am not concerned about the amount of money which will be made available to Quebec, and I am a westerner. What I am concerned about is that Canada should be an operating country, a viable country economically, and

that Canadians should own it. Any government which runs this country should be as concerned about one section of it as it is about another. Surely, if a government has a right to call itself a national government it must be concerned about all sectors of the economy.

What concerns me most directly, though, is what is happening in the area where I live. I am concerned about whether this budget or minibudget is helpful to the hundreds of people who live in that community. As far as I am concerned, the answer to that question is no. The government has no program which would meet the needs of this community. I do not say this in a narrow sense because I realize that agriculture and industry are interdependent. Farming is not isolated from the economy as a whole but is part of the total economy. If the whole sector does well, then farming will probably do well, and if farming does well one can be reasonably sure that industry as a whole will do well. Agriculture is an industry which multiplies the purchasing power of the money it earns; this purchasing power is spread out because farmers are unable to keep what they make; they have to spend it.

A recent task force report talks about retraining farmers and taking them off the land. It is utter nonsense to say that people must be taken off the land and trained for other jobs when the rate of unemployment is as high as it is today. What jobs? Has this government ever made a commitment to the 3 per cent unemployment level as recommended by the Economic Council? When the government makes a commitment of this kind maybe we can take some of the recommendations of the task force seriously, but until it does, I for one do not intend to take them seriously. At the present time we cannot provide sufficient jobs for those who want to move out of agriculture, let alone for those whom some economists up in the ivory tower might propose to move out as well.

In the same document, Mr. Speaker, great play is made of the $100 million stabilization fund which is to be set up for farmers. This is to be a one-year shot, if it is done even for one year. Let us accept that these people mean what they say. In future years the stabilization fund will be supported by the means of a 3 per cent deduction—and this is not to be 3 per cent off the net but 3 per cent off the gross. It will be like a property tax. Under the plan which is proposed, the farmer will pay whether he has a loss or whether he makes a profit. It comes off the top, Mr. Speaker. It is off the gross, and it is ridiculous.

There may be some who will say, "Let us make it 1 per cent, not 3 per cent." I shall not discuss this idea of stabilization in great detail because there will be other opportunities to do so, but I say to the government, "Tell the whole story; do not come into this House with half the story. Tell the people that the farmer will be contributing off the top and that he will pay this money to stabilize his income at a level which may not even be above the poverty level."

Mr. Speaker, I do not want anyone to guarantee me poverty; I can do that for myself. I do not need a government to guarantee me poverty. When they undertake to see that the income level will be at or above the cost of production to the average efficient farmer, then they are talking about a guaranteed income, and that is a reality. But what they have been talking about is a myth, a dream. They should listen and talk to the farmers as I did a week ago, sit in a hall and listen to 25 of them and get the feedback. Then they would know what the farmers think. At present we do not know what the government intends to do. Hon. gentlemen opposite should go to meetings and get the farmers opinion.

We shall not be sure of the size of the deduction until the minister gets up one of these days to make a full statement. I have asked the minister in charge of the Wheat Board more than once to make a statement on motions. It is about time he told the House exactly what he has in mind. The people of Canada pay attention to the budget and think: More cash. There go the western farmers again, money running out of both pockets and going strong.

A similar thing occurred last year when the government talked of giving the farmers $140 million. They have not yet received this money, and probably will only receive about half that amount. Not only does the government expect the farmers to pull themselves up by their bootstraps; they expect them to hold themselves up by their bootstraps once they get there. That is about the basis of the program. To offset the cost of the program the government will discontinue the storage payments and discontinue PFAA. They will try to recoup the money they spend. That is the typical approach of this government. I have been here a couple of years now and can almost recognize the pattern.

• (9:30 p.m.)

The government said that it will increase old age pensions by taking from the rich and giving to the poor. But when you examine this more closely, you find that those at the upper level of the pension group are going to finance those at the bottom. There was no mention of the rich; they did not figure in the equation at all. When the government says it is going to stabilize farm income and incomes from cereal grains, they mean they will do it at the expense of the people concerned. They are going to use the open market system to the greatest extent possible. That is one forecast that I make.

On one side you have myth, on the other side reality. When hog prices drop to 22 cents a pound or $22 a hundred; nothing happens. There is a stabilization program on hogs; the only trouble with it is that it does not work. Through this budget the government is adopting a "now you see it, now you don't" approach. It is putting up money for loans here, money for loans there; The impression is left that the drop in farm income is going to be relieved, that unemployment will diminish with the creation of additional jobs.

I sincerely hope the grain farmers of western Canada will send a signal to this government that is loud and clear, telling the government they do not accept the proposed cereal grains program. This program will not

pull the farmers out of their difficulties. I suggest the government face that fact right now, rather than slog along with the program for four or five years and then try to clear up the problems it will leave behind.

Mr. Maurice Foster (Algoma): Mr. Speaker, the hon. member for Saskatoon-Biggar (Mr. Gleave) has presented a very gloomy picture of the Canadian scene. Fortunately, in his budget speech last Thursday night the Minister of Finance (Mr. Benson) presented a much happier picture, one in which we have reached the peak of the unemployment problem on a seasonally adjusted basis and are moving into a period of less unemployment during 1971. I suppose the voices of doom and gloom that we hear from the far corner of the House are only to be expected since the members there tend to take this approach.

This budget that the Minister of Finance presented last week tends to be a very selective document. It tends to have specific effects on localized regions throughout the country. Not the least of these, of course, is the special attention that has been paid to the sovereign counties of Stormont, Glengarry and Prescott, in which Mr. Speaker has a special interest in that he represents them in this House of Commons. I am sure all hon. members in this chamber have special sympathy for the unemployment and economic problems in his constituency. Because of the non-partisan position that he occupies in this House with great dignity, he is unable to take the government to task publicly and get them to deal with these problems. In any event, his message seems to have got through and I believe all hon. members will rejoice in his area being one of many parts of this country which have been designated for assistance in acquiring new industries.

This policy of helping areas of special need, such as areas of high unemployment, is consistent with the selectivity approach of the government as outlined last week in the white paper on social security. The approach there was not to universality but to selectivity; to put the resources of the country where there is greatest need. So with this budget, the majority of the resources are put where there is greatest need. Much of the budget's attack is directed at the fight against unemployment during the forthcoming winter months. Its approach is not only directed to public expenditure in areas of high unemployment; it also seeks to stimulate the private sector through grants to private industries which wish to locate in areas of high unemployment. In addition, Central Mortgage and Housing Corporation is to receive more funds for loan purposes.

I suppose some historians may look on this budget as being the Quebec crisis budget, since it was presented a few weeks after the recent events in that province. In addition, the budget places a great deal of emphasis on the stimulation of industrial activity in and around the metropolitan area of Montreal. Included in this is the designation through the Department of Regional Economic Expansion of the southwestern part of the province of Quebec for industrial incentive grants. Some $130 million has been allocated in this regard. A like benefit is also divided amongst the counties of Stormont, Glengarry and Prescott. Funds have been set aside for new access roads and ancillary services around the new Montreal airport at Ste. Scholastique, as well as special assistance being given to the shipbuilding and footwear industries, many of which are located in the province of Quebec.

Looking at the unemployment figures in the province of Quebec and the recent events that occurred there, I believe most Canadians will view with sympathy the special problems of that province. At the same time I think there is a feeling in some parts of Canada that the provincial and municipal authorities in Quebec and in the city of Montreal have a responsibility, not only to control the violent acts that have been committed by groups like the FLQ but to provide a level of public administration that will encourage the private sector of the economy to invest in the province. If this were the case, unemployment in the province would not be of crisis proportions and the federal government would not have to present a budget that earmarked the majority of its funds for one province and for one metropolitan area. Surely this kind of budget places some strain on national unity.

• (9:40 p.m.)

Having said this I say that many parts of the budget contain benefits which apply throughout the country, including an increase of 10 per cent in benefits under the unemployment insurance fund. Many parts of the country will have very heavy unemployment this winter, and these benefits will be especially welcome. This will act as an interim adjustment between January 1 and June 30, when the new scale of benefits will come into effect. The contribution of $54 million to the unemployment this winter will help remove the sting of being unemployed during the winter months.

I am most pleased to see the establishment of a new $150 million loan fund to stimulate activity through public works projects carried out by provinces and municipalities. At a time when we have high unemployment it is most appropriate for the federal government to put funds into the hands of the provinces and the municipalities for public works projects which will create employment. I believe much of this money in the province of Ontario should be used on sewer and water projects in the small towns and communities. Practically every small community throughout the province is being pressed by the Ontario Water Resources Commission to establish new sewage treatment plants and sanitary sewers. However, the level of provincial and federal government assistance is so low that these municipalities cannot afford to carry out the work.

In many cases the municipal tax level would be doubled, and in some cases tripled, if these new facilities were provided. Therefore, I believe the Minister of Finance should designate that in the province of Ontario these funds amounting to $17 million be earmarked to

assist small municipalities to instal sewage and water treatment plants.

Surely this $17 million can only be classified as a windfall to a province such as Ontario with its vast resources. It could well afford to use these funds in areas which receive very little attention outside the golden horseshoe at the west end of Lake Ontario. I also know that the Department of Public Works will be spending approximately $23 million on public works projects. This will be in addition to the $60 million program announced by the minister last October. This is a good time to initiate these projects, when we have high unemployment and can save unemployment insurance benefits by giving men jobs.

I commend the Minister of Finance on his special provision of 115 per cent capital cost allowance for secondary and processing industries if they establish new facilities before the end of the 1971-72 fiscal year. This will be of special benefit in stimulating secondary industry. This, coupled with the Department of Regional Economic Expansion's incentive grants for secondary industry, which apply throughout northern Ontario, will be one more incentive for secondary industry to locate there.

Another good measure which the Minister of Finance announced was that the Department of Regional Economic Expansion bill, which I believe will be coming before the House this week, will provide a guarantee for loans to any company which has received a grant under the regional development incentives program. This will be especially useful because many industries which are able to raise 20 per cent equity and receive a government grant still have trouble raising additional capital funds. This guarantee by the federal government for a large percentage of the additional funds will mean that many projects can go forward which were not able to go forward in the past. I know one company which has been nearly a year lining up its line of credit. In the future this kind of financing will be guaranteed by the government, which will mean that projects can get off the ground faster.

I am disappointed that the special provisions outlined in the budget for the Department of Regional Economic Expansion did not include special assistance for utility services in areas where we are trying to stimulate secondary and processing industries. In my constituency of Algoma we have a great need for a natural gas pipeline to link Sault Ste. Marie with Sudbury. Although a study has been carried out by Trans-Canada Pipe Lines, the cost is so high at the present time it is not economically feasible to establish it. At the same time we are providing incentives in capital cost allowances and regional development loans to encourage secondary industries to locate in this area. Some industries, including a plywood mill, have been lost to the area because we do not have natural gas.

So we have the question of which came first, the chicken or the egg. In this case we cannot get certain types of secondary industry because we do not have natural gas available. At the same time we cannot get natural gas to these communities because there is not a sufficient market. Who can break this vicious cycle? In my view, only the government can break it. The Department of Regional Economic Expansion can break it by providing long-term loans or grants to transmission companies to establish a pipeline. Then as secondary industries comes into the area and decreases unemployment, there will be an increased use of gas not only by the secondary industries but by domestic users. In the end the utility company, with this increased demand, will be self-sufficient.

In the same vein, I believe that the Department of Regional Economic Expansion must take another look at its exclusion of the pulp and paper industry from incentive grants. This industry has been excluded from these grants both for new pulp and paper mills and for expansion of existing facilities, on the rationale that these plants will only locate where wood fibre exists. This is quite true as far as it goes. But let us look at the situation surrounding this industry during the last two or three years. In 1969 the Minister of Finance removed the tariffs which had been negotiated under the Kennedy Round on paper products coming into Canada, instead of there being a gradual phasing out as had been planned. Then last spring the Canadian dollar was revalued upward. This had a negative effect on the pulp and paper industry because it lost most of the 7½ per cent differential between the Canadian and the United States dollar.

Coupled with this is public demand for control of pollution from pulp and paper mills. I am not one to condone the pollution which has been caused by many pulp and paper mills in our country, but I believe that most mills are moving as rapidly as possible to overcome this problem, bearing in mind that the current market for pulp and paper is very soft.

The cost of anti-pollution equipment is tremendous and no special tariff provision has been provided to assist the pulp and paper industry. In many parts of northern Ontario the pulp and paper industry has long-term plans to expand its facilities and to build new plants, but with the current economic climate in North America for markets and the problems I have outlined, these plans are becoming further and further away from realization. I believe that if regional development grants were made available to this industry for expansion and modernization, many of these programs would go forward, creating many new jobs in these parts of the country.

It can be argued that secondary industry and processing industries are the best way of stimulating economic activity rather than basic industries. It seems to me we cannot attract enough secondary industries. However, I believe that thousands of new jobs would be created in northern Ontario if further consideration were given by the Minister of Finance and the Minister of Regional Economic Expansion to regional development grants to the pulp and paper industry.

In conclusion, I find the most encouraging part of the budget presented by the minister the fact that he feels unemployment reached a peak in the last quarter of 1970 on a seasonally adjusted basis. He anticipates that our gross national product will rise during the second half of 1971 at a rate of over 8 per cent. If such a rate of growth can be achieved while we are controlling inflation, our unemployment picture will certainly show improvement. Therefore I hope the minister's prediction, based upon information available to him, is correct.

• (9:50 p.m.)

Mr. Cliff Downey (Battle River): Mr. Speaker, I, too, join the previous speaker in expressing the hope that the prediction made by the Minister of Finance (Mr. Benson) in his budget speech will be a reality and that the economy will move ahead. I certainly believe it is a pleasure for everybody here to have the opportunity in a budget speech to discuss some of the problems in Canada. I think that probably the bulk of the problems we face today can be attached to the budget or to finances in general.

Although the minister's remarks in the budget speech indicate hope for an improved economy, hope that the situation will be better in the future, I believe there is still some confusion in many of our minds concerning whether the methods he uses will really do the job. It was comforting to me to see the emotion displayed on the minister's face when he listened to the remarks of the hon. member for Saskatoon-Biggar (Mr. Gleave) concerning the beauty parlour operators in Saskatoon who were being thrown out of work. It is an indication, to my mind, that he has a heart. Sometimes when we travel across the country there would seem to be an indication that the people do not believe our Minister of Finance really has a heart.

The minister has been saying that the purse strings are being loosened, whereas in reality I believe the purse strings really were loosened in respect of the banking system early last summer, although nothing really happened. Credit was eased and any business which showed an indication that it was a good prospect had funds available to it. I suggest that the announcement now that the purse strings will be eased is merely an effort to make people have a little more hope in the future. Nothing is moving ahead. The demand for money is not there. Confidence in the economy has been shattered.

There is a projection in the budget that there will be improvements in the capital cost allowance base for the manufacturing and processing industries. This is fine. Predictions were made concerning the amount this would cost the treasury in respect of tax money, but really there will be no cost to the treasury if these industries do not have the confidence and the demand for their products which would encourage them to move ahead. I question whether or not these industries will take advantage of the improved capital cost allowance base.

Then we have the matter of unemployment. This is a difficult situation. Certainly there is a trend for all people to depend more on government services to provide for them from the cradle to the grave. I realize a government must recognize these trends and follow, certainly to some degree, the wishes of the people. But I say we should have more public projects and that we should redirect many of our funds presently being used for unemployment insurance and various other social measures to government work projects. In character building I believe it is far more important for the people to do a day's work for the money they receive.

Arguments have been put forward that in many areas of the country people who have families should not be moved and therefore should not be offered employment in another part of the country where jobs are available. I can hardly buy that concept because we as Members of Parliament, or a great many of us, must spend six or eight months of the year away from our families. I cannot really legitimatize the argument that many of the people who are receiving unemployment insurance are not in the work force because of the mobility factor, and that they should not leave their homes at least for some period of time when jobs are available in another area. I suggest that every able bodied man in this country should be looked at again in terms of what he can do and where he can do it. The excuse that he cannot become a truck driver or something else because he is a plumber, a carpenter or has some other vocation is not reason enough for not being employed if a job of some kind is available.

PROCEEDINGS ON ADJOURNMENT MOTION

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

NATIONAL DEFENCE—SUGGESTED SPECIAL MILITIA TRAINING PROGRAM FOR YOUNG CANADIANS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, on November 26 I asked the Minister of National Defence (Mr. Macdonald) whether in view of the success of the summer student militia program introduced by the government, which employed some 5,000 students, he would consider introducing a special militia training program similar to the program introduced by the Progressive Conservative Party in 1961, which oriented many young Canadians into training for civil defence and at the same time tended to overcome unemployment which had reached comparatively serious proportions.

I brought the question to the attention of the minister because I was very closely involved in this training program and found it to be invaluable in many respects. My reason for pursuing my request for this type of program tonight is that I am still convinced such a program would be invaluable due to problems in our country with which evidently we are having a difficult job to cope.

While I am reluctant at this time of night to bring back members on the opposite side to answer my question, I do so without apology due to the offhanded answer I received from the minister, for which he is becoming famous. He ignored the common courtesy I extended in sending him not only a copy of my question but also some background notes. Members on the opposite side of the House continually are prodding for positive suggestions which they could consider, and therefore I offer this common sense idea which I feel should be given serious consideration.

• (10:00 p.m.)

It is very evident that the government now realize the almost fatal mistake they were making in reducing the Canadian forces strength over the past two years to what was inevitably to become a state of ineffectiveness but for the unfortunate turn of events in Quebec. And as in their lack of realization of the value of military insurance against any kind of aggression, terrorist activities in Quebec, which we would all like to believe never happened, came upon this country without warning. Now I am sure they realize the need for preparedness to ensure security not only from without but from within.

The success of the summer student militia training program emphasizes the value of military indoctrination, not particularly to create military might but to instil leadership qualities, discipline and youth development, not only for our students but, just as important, for those who are still in their developing years after leaving school. Just as this training program was of considerable value to young men in our country in assisting in civil defence in 1961 when this was the thinking of our military minds, so would such a training program be of great value in training a cross-section of our country in aiding the civil power in case of a recurrence of hostility and insurrection.

Since the summer training program was so successful in combating unemployment, so would such a program continue to create a multi-purpose effect, not only to alleviate unemployment but to give the youth of our country a sense of purpose in the growth and progress of the country which they will one day be called upon to lead. While time does not permit me to elaborate further on the many other advantages, although the Minister of National Defence repeated that he was not considering such a program, the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) just a few hours ago, when speaking in the budget debate, mentioned many other advantages of the training of our youth in contributing to the development of the Arctic, in supplementing the police force, combating pollution, and other ideas which are worthy of consideration.

A special all-year militia or reserve force training program should be introduced as soon as possible, under the responsibility of the reserve forces of Canada, to stand ready as a part-time force which, instead of being given more responsibility by lip service and being continually withdrawn should in fact be a supplement or back-up of our regular forces. It would be interesting to know just how many more troops would have been available for other tasks, if the need arose, while we faced the terrorist situation in Quebec. I hope that someone with a little military knowledge is aware of the need for future preparedness.

The youth of this country are our most valuable asset; not the minerals, not the oil, not the gas, but our youth. They are being neglected because we have failed them somewhere along the line. If we keep telling them to participate and involve them only in dialogue, we are being dishonest in not giving them a sense of participation and involvement. A Canada-wide youth development or training program, or whatever we want to call it, will give them a sense of purpose and will show that we care. I urge the Minister of National Defence to consider, with the Minister of National Health and Welfare (Mr. Munro) and the Minister of Manpower and Immigration (Mr. Lang), initiating such a program as soon as possible.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the hon. member attributed to me some sentiments a few moments ago which he said I expressed in the budget debate and which I would gladly claim, but I have yet to participate in the debate so I must disclaim credit for them.

In his question the hon. member indicated a general interest in the employment situation in Canada, the general advantages of military training in the character building process of Canadian youth, and a particular concern combining the two general interests in a specific program of six-week courses under a special military training program.

The hon. member will be aware of the specific, imaginative and viable measures to combat unemployment and to alleviate the hardships of those who are now unemployed which were contained in the budget presented last Thursday. Since the hon. member has spent his day, as I did, listening to the budget debate, it is probably not necessary to recite to him the litany of measures proposed in the budget to aid those who are, regrettably, now unemployed and to create new employment opportunities.

To quote from the budget speech, some of these measures are directed toward immediate needs of the winter ahead. Others are intended to reinforce existing policies and ensure that the economic pick-up in sight for the year ahead will be both strong and sustained. They will also be directed in large part to those regions of the country where unemployment is highest and to those groups in our society whose incomes are low.

Obviously the hon. member's general concern, and that of the government, about unemployment and its consequences are identical. With respect to his specific suggestion I should like to refer him to the reply of the Minister of National Defence (Mr. Macdonald) as recorded at page 1494 of *Hansard* of November 26. In the absence of the minister I can add nothing further to the answer at

this time. I can, however, assure the hon. member that his specific representation will again be brought to the minister's attention upon his return.

COMBINES—CURTAILMENT OF RESTRICTIVE PRACTICES OF PROFESSIONAL SOCIETIES

Mr. Allen B. Sulatycky (Rocky Mountain): Mr. Speaker, last week I had occasion to ask the Minister of Consumer and Corporate Affairs (Mr. Basford) what steps he had taken or may have contemplated taking with regard to curtailing the restrictive practices of certain professional societies. Mr. Speaker, you and member of this House who belong to professional societies will know and understand that statutes in our provinces give to professional bodies a unique position in that these societies can pretty well legislate as to all circumstances surrounding the practice of their particular profession within a province.

As a result, professional societies may to a great extent regulate the fees which members charge and they may also regulate the number of people who enter the profession. I am not so much concerned with the fees charged by members of professional societies as I am with the practice of those societies in restricting the membership of a profession within a province.

My attention has been drawn to the practices of dental societies and I wish to zero in on them particularly.

An hon. Member: Drill them, Allen.

Mr. Sulatycky: I am not aware of the situation in other provinces but I have some knowledge of the situation in Alberta and in Canada generally. The Royal Commission on Health Services, which took many years to prepare its report, indicated that in 1959 Canada stood behind Germany, Sweden, Norway, Austria, the United States, Denmark, New Zealand, Switzerland, Australia, Finland, Greece, Spain and France in the ratio of dentists to the population. Since that time research has indicated that we have not gained substantially. In 1959 there was one dentist for every 3,032 people in Canada. The most recent statistics I could find for the World Health Organization were issued in 1966 and they indicate that we have one dentist for every 3,070 people. Rather than improving, the situation is getting worse. The reason for this is that most dental societies, and I speak particularly of the Alberta Dental Society, practically bar dentists who have not graduated from a university in Canada.

The regulations of dentists' societies in Canada mean that you cannot apply to have your qualifications assessed unless you have an established residence within the province where you wish to practise. If you wish to practise in Alberta you must establish a residence there before you can apply to have your qualifications assessed. It is ridiculous to expect someone from Britain to move to Alberta and become established there before having his qualifications assessed. This kind of practice is shameful, in my opinion, and should be curtailed as soon as possible. I wish we could bring the full weight of the new restrictive practices act to bear on this type of action.

• (10:10 p.m.)

The result in Alberta, according to the health services people, has been that we have had the sum total of exactly two dentists who obtained their qualifications at a university that is neither in Canada nor in the United States. In all Canada we have only had 33 dentists who have come from outside this country or the United States. It is my opinion that the Minister of Consumer and Corporate Affairs should bring in strong legislation so that the federal government could take action to ensure that people all over Canada, no matter whether they live in the largest cities of the smallest hamlets, have dental services readily available. People should not be deprived of these services through the restrictive practices of dental societies.

These remarks could apply equally well to other professions and professional societies. I am particularly concerned about the dental societies in Canada and about the dental society in Alberta. I wish through you, Mr. Speaker, again to ask the Minister of Consumer and Corporate Affairs to say what steps are being taken. When can we expect the dental societies in Canada to be compelled to open their doors so that persons, wherever they may be in Canada, will have access to the best dental services? This move should not in any way detract from the quality of the service. I believe that the inquiry in Ontario into civil rights indicated that professional societies should ensure that not only those persons who are licensed to carry on a profession should qualify, but also that all qualified applicants ought to be licensed. I think there ought to be federal legislation to ensure this, particularly in so far as the dental societies of Canada are concerned.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am sure the hon. member will appreciate that in responding on behalf of the Minister of Consumer and Corporate Affairs (Mr. Basford) I must, of necessity, restrict my comments to the areas coming under the jurisdiction of his department and not follow what might be a natural propensity, that of roaming into areas of responsibility that the provincial legislatures have chosen to delegate to certain provincial societies and professional societies.

The Economic Council of Canada in its report on competition policy recommended that services, including those of professional groups, be included within the Combines Investigation Act. The recommendations of the Economic Council are before the government in preparing revisions for the Combines Investigation Act. The government's intention will be disclosed when the bill to revise the act is introduced and the hon. member will have every opportunity, following the bill's introduction, to make any representations he deems desirable. The Minister of Consumer and Corporate Affairs will be interested in reading the hon. member's remarks as well as in receiving information from anyone else relating to this subject.

Proceedings on Adjournment Motion

PUBLIC SERVICE—SHARING OF DECISIONS AFFECTING JOB CLASSIFICATIONS WITH EMPLOYEES—AMENDMENT OF LEGISLATION

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, no doubt many members of the federal civil service rejoiced at the statement on November 27 by the President of the Treasury Board (Mr. Drury) who announced to the House in response to my question: "The government is now reviewing the Public Service Staff Relations Act." One does not need to be a specialist in labour relations to say that the period between 1964 and the present time has been one of uncertainty and instability for many career people within the service. To charge that the situation has been chaotic is perhaps overstating the case, Mr. Speaker. None the less, the reclassifications in the professional category were to have been completed by July 1, 1967 some three years ago. They have been postponed time and again, and today there are nearly 5,000 professional people, or 17 out of 28 groups, yet to be completed. These groups have to be satisfied with a classification heading termed as a "provisional assignment".

Why has there been so much foot-dragging in this? Why have certain groups such as engineers, who challenged their classification, never been given a reason for a review board ruling? Why are there the closed files? Why are most of the professional institute people "flying blindly" when bargaining for individuals or for particular services? I should also like to ask, what is the "gimmick" behind the whole classification jungle?

Mr. Speaker, my interest in this classification matter came about because it was my custom to visit inmates of federal correctional institutes from time to time. I find that when I make these visits most of my time is spent with correction staff who buttonhole me and complain bitterly, rightly so, about classification problems. Many civil servants believe that so long as the determination of classifications and duty assignment remains inflexibly enshrined as a non-negotiable right of management, in this case the government, the whole progressive system of collective bargaining is a meaningless ritual and a farce.

Suspicions abound that as the government, through negotiation, upgrades the salary for a particular classification, there often shortly follows a change in the job description and the position is downgraded. Civil servants feel that the government has it both ways. It can and does raise a civil servant's pay and, through manipulation of the classifications, lower it at the same time. The offending part of the Public Service Staff Relations Act which permits the government to do this is section 7. It provides as follows:

> Nothing in this act shall be construed to affect the right or authority of the employer to determine the organization of the public service and to assign duties to and classify positions therein.

In the time remaining to me I wish to cite a few examples which give rise to the suspicion and bitterness which characterizes many public servants as a result of section 7. First, a CR-3 challenged his classification. The board of review reclassified the employee to CR-5 and awarded retroactive pay to March, 1968. He has received no retroactive pay to date. Why? Because the management is now reviewing his duties.

Second, under the general service classification cooks are classified FOS-6 everywhere except in Archambault, a new federal institution, where they are classified FOS-5, a saving of $1,800 per year. Incidentally, last Thursday the cooks signed a two-year agreement. However, I understand that all general services are to be reclassified as of October, 1970. Third, a technical inspector 6 was assigned extra duties. He was reclassified in the engineering scientific support group which carries the same maximum salary as TI-6. I suspect that this move was taken because a promotion to TI-7 would cost the government an additional $1,100 per year.

I anticipate that the government will take refuge from these charges by saying that these anomalies only happen during reorganization or with new positions. However, that is far from the whole story. The solutions to problems such as I have outlined lie in the government giving up some of its high-handed management prerogatives and beginning to share these decisions with those affected. I hope that the President of the Treasury Board (Mr. Drury) will amend section 7 so that classification and job descriptions can become a negotiable part of the future bargaining process. It is only enlightened and sensible that this be done. The government, which is one of the largest, if not the largest employer in Canada should provide a model for other employers to emulate. It is appropriate that the Public Service Staff Relations Act be amended. The vehicle for review could be a parliamentary committee equipped to study the matter, where all the facts could be aired.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the late show provides members who have asked questons and have not received satisfactory answers the opportunity to again raise the matter. It also gives them the opportunity to raise numerous other matters not asked in the initial question. This is something of a handicap to those who are responsible for answering, and I can only apologize to the hon. member for my lack of clairvoyance and reply for the President of the Treasury Board (Mr. Drury) to the question which the hon. member asked on November 27. As reported at page 1538 of *Hansard*, the hon. member asked:

• (10:20 p.m.)

> Is the President of the Treasury Board considering the amendment of the Public Service Staff Relations Act to allow decisions affecting classifications and job restrictions, now the sole prerogative of the government, to be shared with its employees?

The reply is as follows: As the President of the Treasury Board stated at the time, this legislation is under review by the government and it would be improper for me to try to predict what changes the Public Service Staff Relations Act might undergo. I can only say that in connection with this review there will be hearings, at which time I imagine certain interested parties will put forth the hon. member's suggestion.

The hon. member further inquired as follows:

In view of the fact that many C.R. positions are being reclassified and reduced at the present time, does the minister not feel that this procedure makes a farce of the whole collective bargaining process?

To this question the reply is as follows: I take issue with the hon. member's premise, namely, that many C.R. positions are being reclassified and reduced at the present time. There is an ongoing reclassification review by Treasury Board of many jobs in the public service and the C.R. category has not been singled out either for review or for purposes of reducing the wage scales.

Motion agreed to and the House adjourned at 10.23 p.m.

HOUSE OF COMMONS

Tuesday, December 8, 1970

The House met at 2 p.m.

PRIVILEGE

MR. DRURY—SUPPLEMENTARY ESTIMATE FOR PRICES AND INCOMES COMMISSION

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I rise on the question of privilege. The other day, in response to a question from the hon. member for Winnipeg North Centre (Mr. Knowles), I indicated that, to the best of my knowledge at that time, provision made in the main estimates for the Prices and Incomes Commission would be adequate to meet their needs during the current year and consequently no provision was made in the supplementary estimates which I tabled for a change in this provision. As a consequence of the negotiations at the recent conference which the chairman of the Prices and Incomes Commission had with representatives of business in Canada, the future course of action of the commission is now rather clearer. I have now learned that a proposal will be made for supplementary estimates, in addition to the provision made of approximately $1 million in the main estimates, for the balance of the fiscal year.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a supplementary question. In view of the statement that the minister just made, can he say whether any money is now being drawn from the contingency fund to cover the commission's expenses?

Mr. Drury: It will be drawn from the contingency fund, Mr. Speaker, prior to the tabling of further supplementary estimates in the House.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

FINANCE, TRADE AND ECONOMIC AFFAIRS

Second and third reports of Standing Committee on Finance, Trade and Economic Affairs, in both French and English—Mr. Clermont.

[*English*]

AGRICULTURE

Second report of Standing Committee on Agriculture—Mr. Beer.

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

THE MINISTRY

TABLING OF ORDER IN COUNCIL TRANSFERRING RESPONSIBILITIES FOR ENVIRONMENTAL MATTERS TO MINISTER OF FISHERIES AND FORESTRY

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, pursuant to Standing Order 41(2) I wish to table copies of Order in Council P.C. 1970-2047, dated November 26, passed pursuant to the Public Service Rearrangement and Transfer of Duties Act. It deals with the transfer of responsibilities for environmental matters to the Minister of Fisheries and Forestry and is directly related to the bill of which I gave notice yesterday.

* * *

[*Translation*]

HEALTH

TABLING OF REPORT OF SPECIAL COMMITTEE ON USE OF ORAL CONTRACEPTIVES

Mr. Gaston Isabelle (Hull): Mr. Speaker, under Standing Order 41, I would like to table copies in the two official languages of a report of the special committee established by the Minister of National Health and Welfare to advise the Food and Drug Directorate on all aspects of the innocuousness and effectiveness of oral contraceptives sold in Canada.

* * *

• (2:10 p.m.)

[*English*]

AGRICULTURE

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Bruce S. Beer (Peel-Dufferin-Simcoe) moved that the first report of the Standing Committee on Agriculture, presented to the House on Thursday, November 26, 1970, be concurred in.

Motion agreed to.

* * *

FINANCE

TAX CONCESSIONS TO "TIME" AND "READER'S DIGEST"—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to inquire whether the House would be content to give unanimous consent to the moving of a rather bland and mild motion pursuant to Standing Order 43. The pressing necessity therefor is the need for the House of Commons

to express an opinion in favour of Canada. The motion I seek consent for is as follows:

This House is of the opinion that the special tax concessions made available to *Time* and *Reader's Digest* are inimical to the interests of Canada and should be forthwith discontinued.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Skeena. By virtue of Standing Order 43, this motion requires the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent. The hon. member cannot put the motion at this time.

Mr. Howard (Skeena): Mr. Speaker, I rise on a point of order to suggest to Your Honour that you should not have heeded the negative voices from the Liberal party, especially in light of the decision made a few weeks ago by over 800 to 50 to discontinue these tax concessions.

Mr. Speaker: Order, please. The hon. member will appreciate that this is not the kind of consideration that the Chair has to take into account. I have to listen and to advise the House as to what I have heard. In this case there were negative replies, so the motion cannot be put.

ORAL QUESTION PERIOD

FINANCE

MEASURES TO STIMULATE ECONOMY FOLLOWING CONFERENCE WITH PROVINCIAL TREASURERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask a question of the Minister of Finance. Following his conference with the provincial treasurers, at which concern was expressed regarding the rate of growth of the economy in the future, does the minister propose to make any statement? In particular, does the minister intend to propose any new measures to stimulate the economy along the lines indicated by the provincial treasurers?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, the House is presently debating the budget which was designed to do just this.

Mr. Stanfield: Since the minister is clearly not going to make a statement, may I ask him whether the provincial treasurers expressed concern regarding the effect of the current and prospective slow growth of the economy upon provincial government finances, both on the revenue side as a result of the slowdown in revenue growth and on the expenditure side with regard to increased expenditure on welfare resulting from increased unemployment?

Mr. Benson: Mr. Speaker, the only one who expressed that opinion was my hon. friend's friend from Toronto.

Mr. Stanfield: Since the minister is not prepared to be very forthcoming, I should like to ask him whether it would be fair to say that, in the view of the provincial treasurers at the meeting, the minister's management of the economy has greatly increased the financial difficulties of their provinces, far more than any offsetting, any help—

Mr. Speaker: Order, please. I do not think it is in order for the Leader of the Opposition to ask whether it would be fair or unfair to say something; in those terms the question is argumentative and I do not think it can be allowed.

Mr. Stanfield: Then I would ask the minister whether the provincial treasurers did not make it very clear to him that the dampening effect of his policies on their revenues did far more harm to them than any benefit they might derive from the minister's loan fund?

Mr. Benson: It would not be fair at all to say that, Mr. Speaker.

Some hon. Members: Oh, oh!

CONVERSION OF PART OF FUND FOR LOANS TO PROVINCES TO GRANTS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I ask the Minister of Finance whether the provincial treasurers, during his meeting with them, expressed any views or made any representations regarding the $150 million loan fund? Did they ask whether part of this $150 million could be in the form of grants rather than loans, as originally suggested by Premier Bourassa of Quebec?

Hon. E. J. Benson (Minister of Finance): Of course they would rather have grants than loans, Mr. Speaker, but generally I would say the loan fund was very well accepted. The only thing they wanted was more.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that these loans will add to both the debt and the debt charges of the provinces, will the minister tell us whether he is prepared to consider making part of the $150 million available to the provinces in the form of grants on the basis of the rate of unemployment in each particular province?

Mr. Benson: I would say no, Mr. Speaker. These are loans and they will help the provinces greatly. They will enable the provinces to bring forward projects—this is a condition of the loans—which they could not otherwise undertake in the current or the coming fiscal year. This, I believe, is important to the Canadian economy.

AMOUNT ALLOCATED TO ALBERTA FROM LOAN FUND

Mr. Eldon M. Woolliams (Calgary North): I have a further question for the Minister of Finance. Bearing in mind the fact that the budget previously discriminated against certain cities—Calgary, Edmonton, Vancouver and others—with the object of cooling off the economy, may I ask whether the province of Alberta has now made a formal complaint on the grounds that the provision of only $4 million, which will be spent over a number of

years, to the province from this loan fund is discriminatory against the province of Alberta?

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker. The hon. member does not appear to realize that the regulation regarding depreciation to which he refers expires at the end of this month.

Mr. Woolliams: I am well aware of what the Minister of Finance has just said. He is merely trying to cover up the situation. I asked him whether he had received any formal protest from Alberta alleging discrimination with reference to this $4 million. We know what he did to Alberta last year.

Mr. Benson: No, Mr. Speaker. In fact, I have not even had a formal protest from the hon. member for Calgary North.

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PRICES AND INCOMES COMMISSION

TERMINATION OF EMPLOYMENT OF CHAIRMAN AND SOME STAFF MEMBERS IN VIEW OF CHANGED ROLE

Hon. George Hees (Prince Edward-Hastings): I have a question I should like to direct to the Prime Minister. In view of the fact that the Prices and Incomes Commission is in future to function as a fact-recording rather than as a price-regulating body, in consequence of which its need for executive direction will be greatly reduced, is it the intention of the government to terminate the employment of the chairman and of his principal staff members in order to be consistent with the oft-repeated admonition of the commission to industry that costs should be kept as low as possible?

Some hon. Members: Oh, oh!

Right Hon. P. E. Trudeau (Prime Minister): This being the day of the Minister of Finance, I will ask him to reply to that question.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, the commission is to continue as a fact-finding body to examine undue increases—

An hon. Member: At great expense to the taxpayers.

Mr. Benson: The hon. member is a great expense to the taxpayers. The commission will continue as a fact-finding body. It will present its findings, particularly with respect to price and wage increases, to the government and it will be up to the government and to hon. members to express their opinions on them just as the commission did in the past.

Mr. Hees: Mr. Speaker, as the function which the commission has carried out during the past year has been a complete failure and as it is going to be less useful to the Canadian people in the future, will the minister not follow the advice of the commission and cut costs for the good of the Canadian people?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Inquiries of the Ministry

HOUSE OF COMMONS

COMMISSION ON MEMBERS' AMENITIES—INQUIRY AS TO REPORT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Prime Minister and I do not ask it because of any interest I have in any recommendations in this connection. When will the government be tabling the report of the commission in connection with members' salaries and the like and increases thereto?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the House takes note that the hon. member is not interested in this, but for the benefit of the rest of the members I am empowered to say that the chairman of the commission said he would be prepared to issue his report to the government early next week. As soon as we receive it I propose to table it in the House.

Mr. Diefenbaker: Mr. Speaker, is the Prime Minister in a position to say whether the report provides that any increase which may be brought into effect shall not be effective until after the next ensuing election?

Mr. Trudeau: Mr. Speaker, the usual practice of the government when it asks for a report of this kind, not a royal commission report, is to receive it, study the recommendations and arrive at a policy before tabling it. But out of respect for Parliament, which the right hon. member knows I esteem greatly—

Mr. Baldwin: When did you start?

Some hon. Members: Oh, oh!

Mr. Diefenbaker: When did he commence?

Mr. Trudeau: —I thought it wiser in this case, since it deals with a matter which involves equally all opposition members as well as government members, to seize the House and perhaps public opinion with the report before the government dare touch it.

Mr. Diefenbaker: I am pleased to know that the Prime Minister is starting to have some respect for Parliament, even belatedly, but in view of the fact the government does not intend to touch the report before it is presented to the House, has he examined it yet, even though untouched?

Mr. Trudeau: Mr. Speaker, I am not psychic and I do not know what is in the report. I have not received it and I am not in a position to indicate the content of it, without having touched it or seen it.

Mr. Crouse: Mr. Speaker, my question is supplementary to the question asked by the hon. member for Prince Edward-Hastings addressed to the Minister of Finance.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a supplementary question.

Mr. Speaker: Order. I believe that the hon. member for Joliette wishes to ask a supplementary question.

Inquiries of the Ministry

Mr. La Salle: Mr. Speaker, would the Prime Minister tell us if he is aware that most hon. members would be interested in knowing more about those increases before the next general elections?

[*English*]

Mr. Speaker: Order, please. Is the hon. member rising to ask a question supplementary to his previous question?

Mr. Hees: Oh, no, Mr. Speaker, my question is supplementary to the question of the right hon. member for Prince Albert to the Prime Minister. As he has indicated that public opinion will guide him in his decision on this important matter, has he decided to follow the practice of the late Mr. King which was to find out by which gate the sheep wished to leave the pasture and then lead them through it?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

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STATUS OF WOMEN

DESIGNATION OF MINISTER TO IMPLEMENT COMMISSION RECOMMENDATIONS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to direct my question to the right hon. Prime Minister. Will he consider designating a minister of the cabinet to deal with the implementation of the recommendations of the report of the Royal Commission on the Status of Women?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the bill of which I gave the House notice yesterday concerning government reorganization does permit the government to have greater flexibility in the appointment of ministers. If the House passes this bill with great speed, perhaps I will be able to extend that flexibility in the direction of the hon. member.

Mrs. MacInnis: Mr. Speaker, I am very glad to learn about the flexibility. In view of the widespread interest in this report, would the Prime Minister meanwhile inform the House and the country as to which minister is to receive the many representations from individuals and organizations which will come in?

Mr. Trudeau: Mr. Speaker, in so far as the report deals with matters under the jurisdiction of this Parliament, it appears to me there are ministers now who are empowered to deal with all aspects of our society. Thus it would be a relatively easy matter for those who wish to make representations on labour matters to know what minister to address themselves to—obviously the Minister of National Health and Welfare.

Some hon. Members: Oh, oh!

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to ask a supplementary question of the Prime Minister. In view of the fact that this royal commission report contains many recommendations concerning abortion I wonder whether the Prime Minister would consider asking the Minister of Labour to take care of this matter?

[Mr. Speaker.]

COMMISSION RECOMMENDATIONS—PROVISION OF RETRAINING PROGRAMS AND DAY-CARE CENTRES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary is directed to the Minister of Manpower and Immigration. In view of the goals set forth in the government's white paper on income security, is the government planning any new programs of retraining and day-care centres to assist the large number of women who are forced to subsist on welfare rolls?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the increased programs for training have been announced. Of course, if the hon. member is referring to the recommendations of the recent royal commission report, these will be under consideration in due course.

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POST OFFICE

CHRISTMAS MAIL DELIVERY

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Minister without Portfolio in charge of the Post Office whom I welcome back from his far-away pursuits of far-out zip codes. Can he now give a reply to the question taken on his behalf by the Postmaster General many days ago concerning the four days without mail in the Christmas season, a lacuna of service inexcusable and intolerable even in the post-Kieransian era?

Hon. Jean-Pierre Coté (Minister without Portfolio): I have not seen that question, Mr. Speaker. I will take notice of it now.

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NATIONAL REVENUE

REASSESSMENT OF FARMERS DOING OFF-FARM WORK

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct my question to the Minister of National Revenue. Can the minister indicate whether, on behalf of farmers, the Minister of Agriculture has conferred with him about the present policy of reassessing for tax purposes farmers who for economic reasons are taking off-farm work, and has he assured the Minister of Agriculture that this policy, often made retroactive, will be sympathetically reviewed?

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, the Minister of Agriculture and I are in contact with each other on a number of matters and I always listen carefully to anything he has to say to me.

POLLUTION

CONTINGENCY PLAN TO DEAL WITH MAJOR OIL SPILLS

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Fisheries who now has the responsibility for dealing with matters of environmental pollution. It is founded on evidence produced before the Special Committee on Environmental Pollution by witnesses from the petroleum industry of Canada and a scientist from Memorial University, all of whom indicated under questioning that Canada had no contingency plan to deal with a major oil spill similar to the *Arrow* disaster. My question to the minister is: What steps is the government taking to provide Canada with such a contingency plan?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, the government does have a contingency plan. Also, in respect of the particular area which I know the hon. member has in mind we have a task force in my new department looking at the industrial project in question.

Mr. McGrath: Mr. Speaker, may I ask the minister whether, when the task force makes its report, he will release it to the House?

Mr. Davis: I would be glad to do so, Mr. Speaker.

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GRAIN

SPREAD IN RAPESEED PRICES—INVESTIGATION OF MANIPULATION

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I should like to direct my question to the minister in charge of the Wheat Board. I gave him notice. In view of the unjustified spread which has prevailed in recent weeks between cash prices for rapeseed paid to producers at prairie points and future prices quoted basis Vancouver, has the minister initiated an investigation into what appears to be manipulation in the pricing and marketing of rapeseed? If not, will he undertake such an investigation and report to the House?

Hon. Otto E. Lang (Minister of Manpower and Immigration): My concern about the spreads to which the hon. member refers led me several weeks ago to inquire of the Winnipeg Grain Exchange about its knowledge of the situation, and I asked for its comments upon it. This was in line with the recommendation of the oilseeds committee report which had indicated that in the first instance we should expect to see a better degree of self-policing within that organization.

Mr. Gleave: May I ask the minister, since he has referred to self-policing, whether he can assure the House that he will make the report public in view of the fact that apparently self-policing has not worked well in the last two months?

Mr. Lang: It is of course true that the spread has existed, but on the other hand rapeseed prices have been rising substantially as well. I cannot really indicate to the hon. member what use I may be able to make of the report until I know what report I will receive and under what circumstances and conditions it will be sent to me.

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INFORMATION CANADA

ADVERTISEMENT FOR CHIEF OF ATTITUDINAL SURVEYS

Mr. G. W. Baldwin (Peace River): I would like to ask the Prime Minister whether, in light of the advertisement placing by Information Canada in newspapers calling for a chief of attitudinal surveys to provide the government with reliable public opinion reports on a variety of topics relating to government programs, is it now government policy and is the government now planning to go into the business of public opinion polls for political and other purposes?

Right Hon. P. E. Trudeau (Prime Minister): It appears that the hon. member would not know what an attitudinal survey is even if he were shown one.

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FINANCE

RESTRICTION OF BORROWINGS BY CANADA IN UNITED STATES

Hon. Marcel Lambert (Edmonton West): My question is for the Minister of Finance. Would the minister advise the House whether, during the recent discussions between Canadian and United States cabinet ministers, there was any intimation from the United States Secretary of the Treasury to the Canadian government that means would soon have to be found to restrict borrowings by Canada in the United States, and will discussions start between officials of the Department of Finance of Canada and U.S. treasury officials with a view to arriving at some formula which would impose such a restriction on the flow of funds from the United States to Canada?

Hon. E. J. Benson (Minister of Finance): Absolutely not, Mr. Speaker.

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GRAIN

PRODUCTION AND RECEIPTS POLICY—PAYMENTS TO FARMERS

Mr. S. J. Korchinski (Mackenzie): I would like to direct a question to the minister responsible for the Canadian Wheat Board. In light of his statement yesterday that under the new grains policy the elevator companies will no longer be paid under the Temporary Wheat Reserves Act, will any storage payments or handing charges be paid for out of the pool accounts which would normally go to the farmers?

Inquiries of the Ministry

Hon. Otto E. Lang (Minister of Manpower and Immigration): The normal practice, of course, is for payments to be made by the Wheat Board to the handling companies for storage which they perform on its behalf, and there will be no change in this policy. The change is in the financing by the government of a portion of the cost to the Wheat Board for these charges.

Mr. Diefenbaker: The farmers could lose $60 million a year.

Mr. Korchinski: My question to the minister is for clarification. Is it not right that money will come out of the pool accounts that would normally go to the farmers?

Mr. Lang: As I explained yesterday, there will of course be some consequential effect in regard to the amount of grain which is in the handling system. As hon. members know, the first 178 million bushels of wheat have always been carried by the Wheat Board or by the farmers pool account, and with the increased movement of barley which we anticipate and the increased movement of rapeseed it is unlikely that the system could efficiently handle or carry regularly much more than that amount of wheat in any case.

PAYMENT TO WHEAT BOARD UNDER TEMPORARY WHEAT RESERVES ACT

Mr. A. B. Douglas (Assiniboia): Could the minister inform the House whether or not the payment which would have accrued to the Wheat Board under the Temporary Wheat Reserves Act last August 1 has in fact been made to the Wheat Board?

Hon. Otto E. Lang (Minister of Manpower and Immigration): I do not believe that the payment has been made to this point.

PRODUCTION AND RECEIPTS POLICY—STATEMENT IN BUDGET RESPECTING STABILIZATION PAYMENTS

Mr. John Burton (Regina East): I should like to direct a supplementary question to the Minister of Finance. In view of statements made in the House last week by the minister in charge of the Canadian Wheat Board that payments under the grain stabilization plan would not be made until after the end of the crop year, could the minister throw some further light on the statement contained in his budget speech that cash stabilization payments would be made next spring and summer totalling $100 million?

Hon. E. J. Benson (Minister of Finance): I checked that statement with the minister in charge of the Wheat Board and he agrees that the statement is fair and reasonable.

Mr. A. P. Gleave (Saskatoon-Biggar): My question is to the minister in charge of the Wheat Board. In view of the fact that the consequential payments he mentioned would be in the neighbourhood of $60 million, is he considering steps whereby farmers will not have to bear the cost of this extra payment?

[Mr. Korchinski.]

Mr. Lang: I am afraid I would have to ask the hon. member to explain what he means by the consequential $60 million. I explained that with the much smaller amount of wheat being carried, the ordinary payment under the Temporary Wheat Reserves Act would in the future be much reduced.

Mr. Burton: Mr. Speaker, I wish to rise on a question of privilege with respect to the answer just given by the Minister of Finance in which he indicated that he had checked his statement in the budget speech with the minister in charge of the Canadian Wheat Board. I suggest that there is a direct conflict between those statements and I suggest they cannot be allowed to pass—

Mr. Speaker: Order, please. This is a debate between the hon. member and the minister. I believe that in the past I have had occasion to say that a dispute or a debate between two hon. members as to what the facts are cannot be considered a matter of privilege and cannot be raised as a question of privilege. Perhaps the hon. member might find another way of clearing up the record.

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[*Translation*]

CONSUMER AFFAIRS

PROPOSED INCREASE IN AUTOMOBILE INSURANCE RATES —INVESTIGATION BY PRICES AND INCOMES COMMISSION

Mr. Roland Godin (Portneuf): Mr. Speaker, I should have liked to put a question to the Minister of Consumer and Corporate affairs, but in his absence I will direct it to his parliamentary secretary.

Can he tell us whether the Prices and Incomes Commission will investigate automobile insurance premiums which seem to be increasing from year to year, since a 12 per cent increase is expected for 1971?

Mr. Speaker: It seems to me that the question was asked yesterday.

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POST OFFICE

MONTREAL—DISCUSSIONS WITH FORMER EMPLOYEES OF G. LAPALME INCORPORATED

Mr. Roch La Salle (Joliette): Mr. Speaker, I direct my question to the Minister without Portfolio in charge of the Post Office.

Since he has had discussions with employees of G. Lapalme Inc. these last few months, could he say if this matter has been shelved or if negotiations are still going on with the minister?

Hon. Jean-Pierre Côté (Minister without Portfolio): Let us say the matter has not been shelved, Mr. Speaker.

[*English*]

EXTERNAL AFFAIRS

REQUEST FOR STATEMENT ON RELATIONS WITH CUBA AND ALGIERS IN LIGHT OF TRAINING OF TERRORISTS

Mr. W. B. Nesbitt (Oxford): I have a question for the right hon. Prime Minister. Would the Prime Minister make a statement on motions some time before the Christmas recess, or perhaps request the Secretary of State for External Affairs to do so, concerning our relations with the Republic of Cuba and the Republic of Algiers. I specifically refer to the question of Canadians being trained as terrorists under the auspices of these governments with whom we have relations who are sent back to Canada and, in the Cross case, sent back to Cuba. A great many Canadians are inquiring about this.

Right Hon. P. E. Trudeau (Prime Minister): The Secretary of State for External Affairs will be in the House tomorrow and if asked the question he may be able to reply.

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GRAIN

WHEAT—ESTIMATED CARRY-OVER FOR 1970-71 AND 1971-72—STORAGE CHARGES

Right Hon. J. G. Diefenbaker (Prince Albert): My question is for the minister who reports for the Wheat Board. It is very difficult to follow him in the answers he gave to various hon. members. As it is today, the government of Canada pays the excess on the storage over and above 170 million bushels of wheat. The result is that the farmer gets that much more than he otherwise would get. I ask the minister this: What is the estimated carry-over of wheat that the government has in mind now for 1970-71 and 1971-72? He must have some estimate.

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, at this stage it can only be an estimate, but it may be in the order of 250 million bushels.

Mr. Diefenbaker: If it is 250 million bushels then on approximately 70 million bushels the storage will be charged to the farmers whereas today the government pays it? Is that not correct?

Mr. Lang: That is correct, Mr. Speaker, on that sort of figuring. In other words, the reduction from the amounts which would have gone out of the treasury to the farmer may be in the order of $15 million, and in compensation through the stabilization fund he may receive $100 million.

Mr. Speaker: The hon. member for Oshawa-Whitby.

Mr. Broadbent: Mr. Speaker, I had a question for the Minister of Industry, Trade and Commerce but he seems to have disappeared within the last 30 seconds.

Inquiries of the Ministry

SHIPBUILDING

CONTRACTS FOR HALIFAX SHIPYARDS

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of Supply and Services. Would the hon. gentleman check with the Minister of National Defence and other ministers with ships regarding possible contracts for Halifax shipyards in view of pending lay-offs?

Hon. James Richardson (Minister of Supply and Services): Yes, I will do that, Mr. Speaker.

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FINANCE

MERGER OF PRICES AND INCOMES COMMISSION WITH ECONOMIC COUNCIL

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of Finance. Since the Prices and Incomes Commission now has 125 men on its staff and as its chairman has announced that the guidelines on prices and wages will be dropped by the end of this month, thereby relegating the commission to the minor role of making fact-finding studies of prices and wages, is any consideration being given to merging the Prices and Incomes Commission with the Economic Council of Canada, thereby enabling the government to cut down on some of its staff?

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker. I would also like to say that I think the commission did a tremendous job in the last year. Only in Canada will you find there were not increases in basic commodity prices in the last year.

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CANADIAN NATIONAL RAILWAYS

REQUEST FOR GOVERNMENT COMMITMENT RESPECTING PENSIONS TO EXPEDITE FINANCING BILL

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the absence of the Minister of Transport may I direct a question to the Acting Minister. In view of the desire of the government House leader to get through as much business as possible before the Christmas recess, will the government consider making a commitment with respect to CNR pensions, as recommended by the House of Commons, so that we can get the CNR financing bill through with a minimum of debate?

Hon. James Richardson (Acting Minister of Transport): Mr. Speaker, I believe the Minister of Transport has responded to that question several times.

Mr. Knowles (Winnipeg North Centre): As a supplementary question, Mr. Speaker, may I ask if instead of just communicating with the CNR we can have a commitment that something will be done?

Inquiries of the Ministry

ST. JOHN'S, NFLD.—REPORT ON ACCIDENT INVOLVING SNOW-CLEARING EQUIPMENT

Mr. Walter C. Carter (St. John's West): Mr. Speaker, in the absence of the Minister of Transport, who is supposed to be here today but is absent, I direct my question to the Acting Minister of Transport. I know we have a Minister of Transport who is an actor, but we have an Acting Minister of Transport.

Some hon. Members: Oh, oh!

Mr. Carter: Can the minister inform the House whether a report has been submitted to his department as the result of a CNR accident with snow-clearing equipment near St. John's almost a year ago?

Hon. James Richardson (Acting Minister of Transport): Mr. Speaker, I am certain that accident has been studied carefully. I will check to see if a report has been brought forward.

NEWFOUNDLAND—INVESTIGATION OF BUS ACCIDENTS, QUALITY OF SERVICE

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, again in the absence of the minister, and as a supplementary question, could the acting minister check into the series of accidents involving the CNR in that province and make a full report to the House of Commons at the earliest possible opportunity to indicate the quality of CNR operations in that province?

Hon. James Richardson (Acting Minister of Transport): Mr. Speaker, I am certain that both hon. members who have asked questions in this area know that the CNR follows up all accidents with great care and that there are continuous studies to improve safety.

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INDUSTRY

AUTO SUBSIDIARIES' SALES—EXPANSION COMMITMENT BY AUTOMOBILE MANUFACTURERS

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce. In view of the reports of the declining percentage of sales of Canadian auto subsidiaries, as a percentage of the total North American market, has the minister requested that Canadian auto manufacturers come to Ottawa soon in order to get a commitment about future expansion of the automotive industry on this side of the border?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, that is news to me. I was not aware of a decline. I will check to see if the hon. member is better informed on this matter than I am, but the future of the auto pact agreement, in view of the United States suggestion that the safeguards should be eliminated, is presently being reviewed in my department. As was said in the communiqué issued at the end of the Canada-U.S. ministerial meeting, meetings will be held soon at which these safeguards and other possible improvements of the pact will be considered.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Broadbent: Would the minister assure the House that he will attempt to obtain a commitment from the Canadian manufacturers to improve the safeguards which go back to the 1964 levels of production?

Mr. Pepin: There is a difficulty there because the Americans would consider that setting targets would be worse than keeping the safeguards which they are requesting should be suspended or abolished.

Mr. A. D. Hales (Wellington): Mr. Speaker, would the minister advise the House whether it is the government's intention to include replacement parts when they are studying the pact?

Mr. Pepin: Mr. Speaker, this will be included in the possible improvements that will be discussed at the next Canada-U.S. meeting.

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FISHERIES

RAISING OF ACCEPTABLE LEVEL OF MERCURY IN PRODUCTS

Mr. Maurice Foster (Algoma): Mr. Speaker, I wish to direct a question to the Minister of Fisheries and Forestry. Does the minister plan to raise the acceptable level of mercury in fish products from .5 parts per million to one part per million as advocated by some cabinet ministers of the province of Ontario?

Mr. Speaker: Order. It seems to me that this question was asked before, but if I am wrong the minister may wish to reply.

Hon. Jack Davis (Minister of Fisheries and Forestry): The answer is no, Mr. Speaker. However, we will be holding meetings early in the new year with health officials from both the United States and Canada with a view to exploring the possible raising of the level. Meanwhile, since Canada exports 90 per cent of its commercial catch and because the quality of our fish is its greatest attribute we are carefully observing to the .5 parts per million specification.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

RIGHT OF EMPLOYEES TO EXPRESS THEIR OPINIONS

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to put a question to the right hon. Prime Minister concerning some remarks made last Saturday by the president of the CBC, Mr. George Davidson, on the program entitled: "Your Two Bucks Worth".

Does the Prime Minister and his government agree with Mr. Davidson's statement that as long as separatism is a valid political option, CBC employees have the right to express their political opinions, whether or not they are separatists?

Mr. Speaker: I regret to intervene at this point, but the hon. member must agree that it is out of order to ask a minister to confirm a statement made outside the House by a person other than a minister.

[*English*]

HOUSE OF COMMONS

ATTENDANCE OF MINISTERS

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Prime Minister. In view of the fact that there were only 11 ministers present yesterday and only 11 today when there should have been 18, that is, seven away on each day, and in view of the fact that on the order paper there is a measure that would increase benefits for ministers and parliamentary secretaries, can I ask the Prime Minister if this will mean a further decrease in ministerial attendance or will we be able to count on them being here more often?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the House may be interested to know that all the ministers who are away are away on government business and they are replaced in the House by acting ministers or by their parliamentary secretaries. Mr. Greene, of course, is in Japan on a Canadian mining mission. Mr. Chrétien is in Yellowknife attending the Arctic transportation conference.

Mr. Speaker: Order, please. The reason I intervene at this moment is that the Chair has always suggested to all members, including cabinet ministers and the Prime Minister, that members should be referred to by their constituencies and ministers by their ministerial responsibilities. I think we should try to respect this practice.

Mr. Trudeau: That is very good advice, Mr. Speaker. The Minister of Energy, Mines and Resources is in Japan on a Canadian mining mission. The Minister of Indian Affairs and Northern Development is in Yellowknife attending the Arctic transportation conference. Both have their acting ministers present today. The Minister of Agriculture is in Edmonton attending the Union of Farmers annual convention. The Minister of National Defence is visiting the Canadian Forces base at Lahr, Germany, after having attended the NATO meetings of course.

Mr. Baldwin: Goody, goody.

Mr. Trudeau: The Minister of Transport is in Yellowknife attending the Arctic transportation conference. The minister responsible for housing and urban affairs is attending the Second Conference on Mortgage Investment for Trusteed Pension Plans, and the minister acting for him is also here. The Minister of Finance, who is at the federal-provincial finance ministers—

Mr. Stanfield: He is here.

Some hon. Members: Hear, hear!

Mr. Hees: He didn't know you were here, Ben.

Mr. Trudeau: I am told, Mr. Speaker, that if he is absent the Minister of National Revenue will take note of questions for him.

Mr. Bell: Regardless of whether these ministers are away on important duties, in view of the fact they have violated the roster system would the Prime Minister consider red-circling their positions until such time as they come and attend to their business as they are supposed to in the House each day?

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I will take note of the approbation of the hon. member for red-circling and I will read the Beaupré Commission report concerning members with this in mind.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, may I ask the right hon. gentleman if any plans are contemplated for throwing out the roster system and allowing ministers who are in the buildings to attend in the chamber to answer on behalf of their departments, as they ought to according to the rules of the House of Commons?

Mr. Trudeau: Well, Mr. Speaker, this matter has been coming up less frequently as of late because I think it has been recognized that the system has some advantages.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: For the ministers, no doubt.

Mr. Trudeau: If I have some firm representations from the opposition that they would rather go back to the chaotic system of the past in which the opposition never knew what ministers responsible for departments were going to be present to answer questions—

Mr. Hees: But they are here every day.

Mr. Trudeau: —we will certainly be prepared to consider the matter. But there will be no guarantee that the attendance of ministers will be any more frequent than now. Ministers have to attend cabinet meetings and attend to government business across the country.

Mr. Hees: We always used to do that in the past.

Mr. Speaker: Order, please. The Chair sees that three members wish to ask supplementary questions, the hon. member for Cape Breton-East Richmond, the hon. member for Gander-Twillingate and the hon. member for Chicoutimi. There is only one minute left in the question period and other hon. members wish to ask questions. I wonder whether it is the wish of the House that we pursue this matter.

Mr. MacInnis: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: The hon. member rises on a question of privilege.

Mr. Trudeau: No doubt it is about the "rooster" system. I hope the hon. member says something funny.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. MacInnis: Mr. Speaker, my question of privilege arises from the comment just now made by the Prime Minister. He referred to the previous system under which opposition members did not know what the responsibilities of the ministers were. Mr. Speaker, one does not need to strain one's memory to recall that the Minister of Regional Economic Expansion did not know what his responsibilities were with respect to the Cape Breton Development Corporation, nor did the Minister of Justice, nor did some others.

Mr. Speaker: Order, please. If the hon. member has a question of privilege, he ought to state it quickly. He knows what a question of privilege is. What he is bringing forward now is debate; it is not a question of privilege.

Mr. MacInnis: Mr. Speaker, I could produce letters from the ministers indicating that they do not know—

Mr. Speaker: Order, please. That will not strengthen the hon. member's case in so far as privilege is concerned. Orders of the day.

GOVERNMENT ORDERS

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Monday, December 7, consideration of the motion of Mr. Benson, that this House approves in general the budgetary policy of the government, the amendment thereto of Mr. Lambert (Edmonton West) (page 1808) and amendment to the amendment of Mr. Saltsman (page 1812).

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, this afternoon I should like to comment on certain aspects of the budget concerning industrial development.

Of course, I do not want to repeat the remarks of the Minister of Finance (Mr. Benson) on the state of the Canadian economy, except to mention again that our exports are faring relatively well, with a surplus trade balance estimated, on an annual basis, at $2.75 billion, which helps to give us, for the first time since 1952, a surplus in our balance of payments. I note that this results partly from the success of the government's fight against price increases, and I also note that it is taking place in spite of the inevitable re-evaluation of the Canadian dollar.

I also note that the Minister of Finance, in his budget speech, comments on the slowing down of the rate of economic growth this year, estimated at 2.5 or 3 per cent for 1970, compared to 5 per cent in 1970. Although the rate of growth is now improving, the government, in view of persistent unemployment, has decided to give it an extra push by initiating additional incentives.

[Mr. Speaker.]

The government, as we know, faced two alternatives. The first consisted of general measures such as tax reductions, which the government felt could lead to a return of galloping inflation. The other alternative was adoption of specific, selective measures, geared to specific regions, specific industries and specific individuals. As we know, it has chosen the second alternative. Had the government chosen the first one, the opposition would of course have accused it of lacking intelligence, finesse and subtlety. Had it chosen them both, the opposition might have accused it of irresponsibility. But as it has chosen the first one, it is accused of lacking courage.

Mr. Speaker, I am afraid that the government will never win that game, because there always will be criticism.

But by choosing the first alternative, that is selectivity, the government is in good company. In a recent OECD commentary, for instance, a Committee on economic policy stated, and I quote:

[*English*]

—'in cases where unemployment is rising towards unacceptable levels, attention should be directed to the possibility of selected action directed to areas of high unemployment, rather than indiscriminate increases in public expenditure or general tax cuts.'

• (3:00 p.m.)

[*Translation*]

Thus we are in good company when we choose a selective approach rather than a general one.

As regards industrial development, Mr. Speaker, there are, in the budget of the Minister of Finance, four measures which for me, as Minister of Industry, Trade and Commerce, have a tremendous value, and I know that hon. members will want to keep them in mind too.

These four measures proceed from a concern for reinforcing the industrial base, and this shows that the short term concern meets the long term one. Here they are: (1) The expansion of the industrial incentive program of the Department of Regional Economic Expansion, which is already well known. (2) Additional capital cost allowances to manufacturers and processing industries which may result in a tax abatement amounting up to $25 million, and bring to Canada a possible $3 million investment. (3) Measures providing for loan insurance and direct loans to some especially affected industrial sectors; (4) Subsidies to the shipbuilding industry.

Obviously, I would like to discuss the last two items. First of all, why is this assistance provided to those industries, more specifically to the footwear industry which has come up to join the textile and clothing industries? Why this assistance to shipbuilders?

The hon. member for Waterloo (Mr. Saltsman) has pointed out in a recent speech—and this, by the way, happens to be the only positive things he said then—that there was a relationship between the demands arising out of international trade liberalization and the demands of industrial efficiency.

In other words, if we, the people of Canada, strive to trumpet forth the advantages of free international trade

and make it pay, then the Canadian industry must become highly competitive. Otherwise, our philosophy does not agree with our interests. And this is my concern at this time.

Exports are faring relatively well, especially in the primary and semi-manufactured products sectors. We are selling easily enough our grain, our oil, our gas, our coal and our materials to international markets.

But what about manufactured products? Obviously that sector is making progress, but it is encountering difficulties and will always have them because international competition is and will remain extremely keen.

However, Mr. Speaker, it should be mentioned that we are progressing. Ten years ago, our exports accounted for approximately 10 per cent of manufactured products. Today, they represent between 35 and 40 per cent.

I agree that cars play a most important role. In any event, we have progressed, but may I reiterate that competition is fierce, particularly under the current circumstances of international trade which are lower tariffs, frequently involving protectionist threats, especially in Canada, a reduction in the national defense budget, a most healthy dollar and in certain industrial sectors, a desire by Canadian workers to attain wage parity with their American counterparts.

Is it not self-evident, Mr. Speaker, that we must give this sector of secondary industries, where the best prospects for creating jobs are, all the consideration that the circumstances I have just described warrant?

So we must continuously try to rationalize our manufacturing sector, and in this respect, all the tools available to the government and the public sector must be used.

I shall not mention all those available to my department as well as to some others, but this budget contains a provision which seems of particular interest to me—the extension of the General Adjustment Assistance Program to the footwear industry. You will recall that this extension had already been made to the textile and clothing industries.

This decision, I think, deserves some specific attention from hon. members.

In most cases, Mr. Speaker, this rationalization process is ensured by industry itself. There are also cases where it is not done, unfortunately, especially when industrial sectors are endangered and become vulnerable because of the liberal trade policy of the federal government. Where profits are lower and the future looks less promising, I feel that the government may and must contribute, in short may and must try to help private enterprise to rationalize and modernize its operations, or just to keep up to date as is often the case.

Mr. Speaker, we know that there is a program of manpower conversion to which the federal government contributes some $300 million a year. I think it is normal that a few millions of dollars be contributed also yearly to ensure that the conversion of industry itself, of factories, takes place where there are particular problems of the type that I have outlined.

[*English*]

The general assistance program is known to many members of the House, but possibly not well enough. I wish to spend five minutes to describe it.

The GAAP program was established in 1968 to provide financial and technical support to Canadian manufacturers to take advantage of export opportunities arising out of the Kennedy round tariff cuts made by Canada and other countries. That is the main purpose of it.

The program is administered by a general adjustment assistance board which consists of a chairman and two members from the business community, as well as members from the Department of Industry, Trade and Commerce, the Department of Finance and the Department of Manpower and Immigration. It will soon include members of the Department of Regional Economic Expansion to ensure that maximum co-ordination is accomplished.

The Board is authorized to provide three forms of assistance. The first form is government assistance of up to 90 per cent of loans made by private lenders to manufacturers for the restructuring of their operations. This is a loan. There is a charge of one per cent of the sum involved. The second form is direct government loans to manufacturers who have been seriously injured or threatened with serious injury and are unable to obtain an insured loan. In some cases then there is the possibility of a direct government loan.

The third form is grants of up to 50 per cent of the cost of services of qualified consultants required for the developments of sound restructuring proposals.

To date, the board has authorized loan insurance of $32.6 million to assist 30 manufacturers. No manufacturers have qualified for direct loans. Grants totalling $77,000 have been approved for consulting assistance for 10 manufacturers. I wish to give some examples to illustrate how useful the program has been.

A small Ontario based appliance manufacturer had been showing outstanding growth in sales and earnings. Exports sales in particular increased from $105,000 in 1968 to $700,000 in 1969 as a result of an aggressive sales policy combined with the Kennedy round tariff reductions. Further growth was limited because of the unavailability of funds to finance the required inventory buildup. The GAAP board authorized insurance of a $300,000 working capital loan early this year. With this financing, exports for 1970 will reach $1.4 million. Further, outstanding growth is projected for 1971.

Another example is a Maritime manufacturer who had developed a product line which was well received in the United States Market. The Kennedy round reductions further improved the market potential, but sales increases were restricted by limited plant capacity and inadequate inventory financing. The GAAP program provided a grant to finance a portion of the cost of a consulting study which recommended changes in plant

layout to streamline production flows and more than double plant capacity. The board later authorized insurance of a $470,000 loan to enable the company to implement the consultant's recommendation and provide inventory financing. The combination of grant and insured loan assistance will enable the company to increase export sales by $1.3 million per year by 1972.

It is forecast that as a result of the loan insurance authorized to date, exports in 1971 will be $28 million higher than they would have been without GAAP. For 1972 and 1973 the equivalent figures are $54 million and $89 million. I suggest that this is a very valuable program, Mr. Speaker. Now, if the program is good for exports, why should it not also be good for the domestic market? Extension of the program for that purpose was announced a few weeks ago in respect of textiles and clothing. The Minister of Finance (Mr. Benson) announced the other night that it would be extended now to the footwear industry. I do not think anyone will disagree with that. I hope not. Parliamentary approval is now being sought through supplementary estimates for extensions of GAAT to all three sections: textiles, clothing and footwear. By so doing, we shall be contributing to the process of rationalization of those industries.

• (3:10 p.m.)

I might add that a further amendment to the GAAP program will authorize the board to insure loans made to certain non-manufacturing firms providing financial, marketing or other services essential for the operations of eligible manufacturers.

The situation is this, Mr. Speaker. A manufacturing plant somewhere in Stormont, let us say, would be in a better position if somebody was taking responsibility for financing, warehousing, marketing, or the like. The GAAP program, which up to now, could be used only by manufacturers, will now be offered to those who contribute indirectly to manufacturing. Again, I believe this is a good move. May I underline the importance of the announcement made the other day by the Minister of Finance with respect to the extension of the GAAP program to the footwear industry.

[*Translation*]

The footwear industry, as we know, is very important in Canada because it provides employment to 20,000 or 30,000 workers. However, being so fragmented, it is now going through a difficult period of adjustment. It is also submitted to strong pressures from imports.

I have here some figures that I would like to quote:

[*English*]

Fifteen footwear firms in Canada have gone out of business in the past 12 months. In the first half of 1970, the volume of imported leather footwear was some 16 per cent higher than in the first half of last year and this trend is expected to continue. Six of the larger firms, employing about 2,600 workers, have recently requested federal government assistance in restructuring their operations to enable them to compete effectively. The import pressure is great, and this pressure comes not only from low cost countries but from highly industrialized countries such as Italy, France, United Kingdom and the United States. The only real possibility in these circumstances is for the Canadian footwear industry, the leather section in particular, which still has 80 per cent of the domestic market, to become as efficient as possible. If they do so, not only will they keep that good large share of the domestic market but they will export a lot more than they are exporting today.

Everybody agrees with this. The Canadian footwear industry and the clothing industry possess originality, have ideas, and have style. They could produce for the Canadian market, and export a lot more than they do now.

Again, in order to do that, they need to be fully modernized; they need to specialize; they need to integrate. They agree with this estimate of their needs. They say, though, we should do something to help them do just that. And this is what is intended by the extension of the GAAP program.

[*Translation*]

The same concern for rationalization can be found in the government decision, as the result of increasing international demand, to assist the shipbuilding industry for export purposes. We know that this grant will range from 14 to 17 per cent, according to the tonnage of the ship.

The main purpose of that decision, confirmed by the Minister of Finance, is evidently to contribute to maintain a certain number of jobs. Jobs in that sector throughout Canada have decreased by some 5,000 since 1966 and they now number between 5,000 and 6,000. But if the steps already announced were not taken, perhaps 1,000 others would disappear during 1970 and next year. Consequently, it is essential to act.

In my statement of November 27 last, I emphasized the importance of reducing costs in this industry. It is easy to say. But the only way to do it is to try and produce more than one unit at a time, to build in small series. This is why both the number of ships being built and the budgetary measure encouraging exports are important.

I insisted also on the importance of diversification and specialization in order to lessen the vulnerability of shipyards in terms of fluctuations of the national and international demand.

Mr. Speaker, people should not believe that this desire for rationalization in the shipyard sector has only come up recently: my department has a Defence Material Industry Productivity Program known as DIP which has already tackled and made an important contribution to the problem. In fact, several shipyards, including St. John Shipbuilding, Marine Industries, Vickers, Davie Shipbuilding have already shared in the DIP program of my department to the amount of $3 million and have improved their production.

What about the result? I gave it in my release of the other day: "It is significant that a number of our yards

are already producing efficiently a wide variety of heavy equipment such as pressure vessels, penstocks, gates, steel structures, industrial machinery and equipment and rail car, etc."

Do people know for instance that Marine Industries in Sorel and Davie Shipbuilding in Lauzon are already devoting 50 per cent of their activities to projects other than shipbuilding?

That is an attempt to diversify which I thought worth mentioning.

In conclusion, making secondary industry more modern, diversified and specialized is one of the basic concerns of my department and of the government. I wanted to show today how the two measures announced by the Minister of Finance—the extension of the temporary assistance program and the subsidies to shipbuilding—were part of a larger framework, that of continuing improvement of Canada's industrial base, which will enable us to serve the domestic market more efficiently and to increase our exports.

[*English*]

Mr. McCleave: Would the minister permit a question arising out of his remarks in connection with shipbuilding? It occurs to me that once the ships were built they might have foreign crews. Are further steps planned so that we might have not only more Canadian shipbuilding but more Canadians manning the ships?

Mr. Pepin: This is one of the many questions which was raised by the Robertson report, the possibility of having a Canadian merchant navy. The report is still being considered but, along with other studies, as I said on a previous occasion, no decision has been made on the matter.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I do not intend to comment in detail upon the remarks of the Minister of Industry, Trade and Commerce (Mr. Pepin), though I have no doubt a number of my hon. friends will do so. At the outset of his observations, the hon. gentleman referred to his pleasure concerning the state of our exports. I should like to remind him, before I go any further, that the large balance of trade presently in our favour is perhaps due not so much to any increase in our exports as it is to a reduction in our imports. I also express the hope that the minister will not be so lost in admiration for the balance of trade this year that he will overlook some of the difficulties he and I discussed the other day in connection with future Canadian exports, particularly to Britain and the common market.

• (3:20 p.m.)

With regard to the budget, this budget marks the end of a so-called period of restraint and the adoption by the government of some sort of goal of expansion. The government ends this period of restraint not with a full treasury but with a substantial and increasing budgetary deficit. It ends this period of restraint with the country experiencing massive unemployment, with its anti-inflationary program in ruins, indeed dismantled, and with the Prices and Incomes Commission retiring into a period of seclusion.

Despite this, the minister told us the other night that everything is going to be great. Unfortunately, the minister has not yet been right. Let us consider just how wrong he has been. I am not going to go back to 1968, when he told us that we were going to have a balanced budget and, in fact, we had a deficit of $750 million. There is no need to go back to 1968, let us consider 1970.

Mr. Benson: How about 1969?

Mr. Stanfield: I will be happy to talk to the minister about 1969 at any other time but let me talk about 1970 at the moment. Let us go back to the March budget when the minister took a good, clear look forward. One thing he said was that the situation was such that "'we need to consider introducing consumer credit controls to keep the economy from running away on us". He predicted a surplus of $250 million for the year. During the first few months he abandoned any idea of introducing consumer credit controls, and by October he was talking about a budgetary deficit of $150 million. In his budget speech the other night, he talked about a budgetary deficit of $350 million.

The minister refers to this as "a process of constant and continuing review". That is how he describes it. What we really have on the part of the minister is a constant and continuing effort to adjust to his previous errors in estimates, his previous forecasting mistakes. First of all, the minister realizes that he is completely wrong about consumer credit regulations. Then, he realizes things are not going the way he calculated so he increases some sharing arrangements made with the provinces to "reverse the process", as he called it. Then, as the year went on he realized that he and his colleagues had created a virtual catastrophe in the housing program, and he now sees the need to put more money into the program.

We now have this budget. From March until today, there has been a constant effort on the part of the minister to readjust to the very serious errors in forecasting he made last march. The forecasts of the March budget were a complete botch. No one need take my word for that; all he need do is to follow the manoeuvring of the minister ever since. At first, he was rather cautious and very complacent, but his manoeuvres escalated until recently they reached a flurry of activity as the extent of unemployment in this country finally became apparent, apparent even to this government with its superb talent for seeing only what it wants to see and absolutely nothing else.

The minister said on television the other night in a program called "Encounter" that his forecasting this year had been pretty good, that things had worked out just about as he had anticipated. That, Mr. Speaker, is patent-

ly untrue in view of the manoeuvring and scrambling that he has been doing ever since he made those forecasts. I must say I find it impossible to believe that the government foresaw what has happened but sat back and allowed it to happen. I am prepared to believe that the government is incompetent, but I am not prepared to believe that it foresaw the present levels of unemployment, for example in the province of Quebec, British Columbia and the Atlantic provinces. I am not prepared to believe that the minister and his colleagues foresaw this level of unemployment and accepted it, despite the hard boiled remarks made by his Prime Minister (Mr. Trudeau) regarding the degree of unemployment that he is prepared to accept. I can see that the government is absurdly complacent, but I do not believe it is that cruel.

One of the most alarming aspects about the whole economic scene in Canada today is that, despite these terrific errors in forecasting and judgment, the Minister of Finance still believes that his forecasting was good. His capacity for self-delusion almost goes beyond the degree of complacency that the government exhibits.

The budget of March was a bad mistake in judgment. The slowdown in our economy had already been allowed to go too far. There were warnings from the Economic Council of Canada and from others. To continue deliberately to run down the economy below par, and deliberately to hold down the growth in the economy below the rate of growth of the labour force, with the consequent increase in unemployment, is inexcusable. Why did the government make such a distorted judgment of the outlook last year? Was it to show those fellows in the organized labour movement just who is boss in this country? It was said to be done in the name of fighting inflation. I have said many times that the minister's policy was inhumane.

The minister and his friends are fond of talking about OECD. Massive unemployment is not accepted by OECD as a weapon or tool for fighting inflation. It is not accepted because it weakens the will to fight inflation. Despite all the talk about OECD by my hon. friend opposite, no government in western Europe would accept anything like the degree of unemployment that this government has accepted during the past year.

Furthermore, there is not the slightest evidence that unemployment to this degree is in any way a necessary part of an effective fight against inflation in this country. I admit that when a government brings on a recession and creates massive unemployment, certainly the rate of price increases will slow down. But the Canadian people have had to pay a very heavy price. Not only have they had to pay a very heavy price, but the government has not dealt with the basic causes of inflation in this country. The government has not established any defence against the development of inflation in future in this country. Indeed, the anti-inflationary machinery of this government lies in ruins. The Prices and Incomes Commission has reverted to the status of a study group and, as it has done so, it has made this pronouncement: The Prices and Incomes Commission has said that unless there is moderation in wage demands in this country we can expect either excessive inflation, excessive unemployment or compulsory prices and wage controls. That is the pronouncement of the Prices and Incomes Commission on its way to retiring into obscurity. It is a grim prospect, in addition to the existing unemployment and other difficulties of this country.

• (3:30 p.m.)

The Prices and Incomes Commission also accepts and emphasizes the view that fiscal and monetary policies are not by themselves adequate tools to fend off inflation. This is also the view of the OECD, and it is not for the Minister of Finance or anybody else to pretend that they are adequate in themselves.

Here we have massive unemployment and we have a big budgetary deficit. We have a government which has no idea how it is going to cope with inflation when we do achieve something like full employment again, short of the prospect of compulsory control. The minister says that the main weapons against inflation must be monetary and fiscal policies. He says voluntary restraints can work only for a short time. Let me say two things to him, sir. Monetary and fiscal policies will not do the job by themselves and even compulsory controls can work only for a short time.

I admit that no country has worked out a satisfactory program in respect of a voluntary income restraint policy. I admit that, but nevertheless nearly every country now recognizes the need, as does the OECD. The government has become aware I think that voluntary restraints must be based on co-operation, and cannot be imposed by a government or government agency. Such a policy has a much better chance of getting started and working if it is introduced in a period when inflationary pressures are not too great.

The government tried to introduce such a policy from above, and tried to do it when inflationary pressures were very great. I had urged an approach to this sort of thing in this House as far back as 1967. The government delayed, and when it tried it failed to get co-operation. As a result, the effort was abandoned. I say in all sincerity that if inflationary pressures have now ceased, and if the rate of inflation has now decreased, this is the time the government should be trying rather than giving up. It should be redoubling its efforts to participate with management and labour in working out a program of restraints.

I do not say this is easy but I say the government should try. I also suggest that tax reductions at this time would have helped create an appropriate climate for this kind of initiative in this country. If the government was able, in a period lacking strong inflationary pressures, to work out a framework of restraint on the basis of co-operation, then fiscal and monetary policies could be used to prevent an over-heating and building-up of excessive pressure. Then, we would have a chance in Canada of attaining satisfactory employment and stability at the same time. Instead, the government has thrown in the towel. Its boast of success against inflation is not the

result of superior management but simply the result of a severe slowdown of our economy and severe unemployment in our country. Now, we have a slowdown and unemployment, and the outlook is for more inflation as our economy expands because this government clearly knows no way to head off inflation. Indeed, the government is already commencing to increase its own pressures on the capital markets of this country.

The keynote of this budget, if there is one, is expansion. What is the government doing with regard to unemployment and what is its approach? Its approach is basically one of pump priming concentrated in areas of slow growth in the country. The reason given for increasing expenditures and loans rather than reducing taxes is that this is an effort to pin-point where the expansion is to take place in order to benefit areas of slow growth.

The Minister of Industry, Trade and Commerce said this afternoon that the government cannot resort to a reduction in taxation without producing galloping inflation. With all respect to him, there is nothing to back up his statement. In fact, there is very good reason to believe that a reduction in income tax at this time would modify wage increases. In any event, there is not the slightest reason to believe that a reduction in income tax at this time would lead to galloping inflation in this country.

When the Minister of Industry, Trade and Commerce purported to justify the resort to increased expenditures in certain areas rather than reducing taxes he again quoted the OECD as advising countries to consider selective approaches to unemployment rather than such general measures as reduction in taxation. That advice of the OECD makes very good sense for countries in western Europe, for example. It makes excellent sense for a government that has virtually full employment, except in certain areas of the country.

I suggest it is nonsense on the part of the Minister of Industry, Trade and Commerce to take this advice which makes very good sense under other conditions and apply it to Canada where there is massive unemployment across the country.

Mr. Pepin: I say that my program will combine both.

Mr. Stanfield: No, sir. I anticipate there is a much more fundamental reason for the government choosing the course it did rather than choosing to reduce taxation. I think it is because of its mechanistic view of the economy of Canada. It believes you can slow down the economy any time by tightening the screws, and obviously you can. Conversely, the government seems to believe that you can bring about expansion when and where you will simply by loosening the screws and putting more gas into the machine by spending more money. Certainly, you can slow down the economy that way but you cannot necessarily assume this is a machine that you can start up again simply by feeding it a little more gas. The economy is not just a piece of machinery which the government can regulate in this way.

The expectations and confidence of individuals play a great role. The minister, in his budget speech, stated his expectations but he certainly did not create confidence. He did not carry a conviction to this country that his projections were going to prove to be true. It is fair to say that everyone in this country was virtually shaken by the increase in taxation and by the increase in taxation I mean the imposition of the surtax beyond the time when it was clearly understood it was to be discontinued. I think everybody in the country is disconcerted by the implications of this move by the minister. I say there ought to have been a tax decrease, particularly for people with lower incomes. The Minister of Finance admitted that a tax decrease would have an expansionary effect on the economy.

• (3:40 p.m.)

I say, too, it would provide a great psychological lift. Indeed, such a reduction in taxation leading to an expansion in the economy would tend to generate more revenue for the government. The government, therefore, would not be giving up very much revenue as a result of reducing taxation in a way which would lead to expansion of the economy. The government did not choose to do that. It chose instead to maintain taxation, and then some. It chose this course because I believe the government thought it was better for the government to raise and spend money in order to try to pinpoint where growth will take place than it was for the government to free the individual when this was possible. I say this attitude of the government toward increased taxation is depressing and is counterproductive. Such an attitude certainly adds to the uncertainties that are around as a result of the floating dollar and adds to the uncertainties that are around as a result of the failure of the Minister of Finance to clarify what he proposes to do in respect of tax reform and what recommendations of the committee he proposes to accept.

All this uncertainty is holding up decisions in the private sector of the economy. As I have said, this action of the government in increasing taxation when it ought to be reducing taxation adds to the uncertainties. I might be more accurate if I were to say this decision by the Minister of Finance to increase taxation at this time gives certainty to the fears of many Canadians that the minister will use tax reform, as he is now using economic disparity, as an excuse or a disguise for higher taxation in this country. That is a pretty depressing prospect. The driving force of the economy is not just the money the government pumps around in this country. Certainly, intelligent fiscal policy is an important factor in growth and stability. But individual motivation is important, incentive is important and confidence is important. The government is destroying incentive, is destroying confidence and is discouraging the people of this country.

Some hon. Members: Hear, hear!

Mr. Stanfield: Over the years we have heard a lot about the fight against poverty. The minister referred to

old age security and pensions. The other night he said we are increasing these pensions and the assistance to the aged just at the right time. The right time for whom? The right time for the pensioners was a couple of years ago. Yet so much does the minister identify the interests of the government with the interests of the older people of this country that he assumes this is just the right time for the older people of the country. He asks them to wait until next spring for this kind of help. The minister says it is just the right time.

Mr. Benson: For the economy.

Mr. Stanfield: For the economy, I see. I am sorry but I am no more ready now than I was before to accept the minister's judgment concerning what is just the right time for the economy, either. It may be more obvious that the minister's timing was not in the interests of the older people of the country, but one does not have to look much further to decide it was not right for the economy, either.

Certainly, the government is not attacking poverty. Certainly, there is no sign in the government's white paper on social security that the government intends to attack poverty. I want to say that a buoyant economy in this country is essential to any attack on poverty. First of all, a buoyant economy is necessary in order to reduce unemployment which has added so much to the poverty in this country in the last year or so and, second, a buoyant economy is necessary to produce the revenue needed for an effective high productivity program. I say that the prompt stimulation of our economy is an essential part of the fight against poverty in Canada today. The same applies to regional disparity and regional poverty. Surely, it is not necessary for me to emphasize the importance I attach to the fight on regional disparity. It is not necessary for me to emphasize the importance I attach to moving ahead more rapidly in areas of slow growth in this country. I believe this government will get nowhere in an effort to help these areas of slow growth unless the economy of the country generally is buoyant.

The areas of slow growth, such as the Atlantic Provinces, parts of Quebec and parts of the other provinces, are the first to feel the effect of any slackness in the national economy. It is in these areas the slackness tends to concentrate. More than ten years ago, this fact was emphasized to the governments of the Atlantic provinces by consultants we used. Professor Alex Cairncross, who later became the chief Economic Advisor to the government of Great Britain, emphasized to us that the Atlantic provinces and other areas of slow growth certainly needed development programs but that these would do little good in those areas unless the national economy was healthy and going forward at the same time. I have been saying this for years. The Minister of Regional Economic Expansion (Mr. Marchand) apparently finally has realized this also because he said so in the House the other day. This realization, however, certainly is not reflected in the government's policy as announced in the budget. As one would anticipate, the national slowdown in our economy has created new depressed areas.

If the Minister of Finance continues in the same way, the whole country will require designation pretty soon. Indeed, in the sense that the whole economy is below par, it almost requires this today. If the economy picks up substantially, such programs could help Quebec and other areas of slow growth—although I must say that the concept of designation is coming pretty close to being absurd, if it is not there already, when one considers the proportion of the country that has now been designated. I repeat that I am certainly in favour of such measures of help. But the best immediate help to the Province of Quebec, the Atlantic provinces and other areas of slow growth would be a rapid increase in national prosperity. This is the measure that would afford the most immediate help to all these regions because these are the regions which feel the greatest impact of the national recession that is taking place. I say that tax reduction is the most immediate and effective way to produce this prompt stimulation of our economy. Such a tax reduction could be associated with specific measures of encouragement.

Tax reduction would create the psychological climate required for expansion, as the Minister of Finance admits. This was the course which should have been taken, rather than the choice made by the Minister of Finance which was a tax increase, with an all-wise government increasing its encouragement in certain sectors of the economy and just assuming that its increased expenditures as well as some kind of an expanding monetary supply in themselves would ensure an expanding national economy, without which the minister's help to slow growth areas will accomplish very little or practically nothing.

• (3:50 p.m.)

Of course, I suppose it is possible that the minister may be right for once in this projection, but what a chance to take. If the economy is slow to respond, after being screwed down the way it has and worried after this budget, consider first of all the beautiful fiscal mess that the minister will have created both for himself and for his provincial counterparts. But, more important, think of the disillusionment and the bitterness that will have been created among our youth and among the hard core unemployed.

Our economy is not just a machine. The minister and his colleagues talk in terms of inputs and outputs, but what he is really dealing with is people. He is fooling around with the lives of people.

Some hon. Members: Hear, hear!

Mr. Stanfield: I know his job is difficult. I do not think he is an unkind man. I assume he is a man with some feeling and he probably says to himself when one of his policies creates some unemployment that it hurts him more than it hurts the unemployed, rather like the parent taking the whip and beating the child. I say to the minister in all sincerity that his methods of forecasting are not reliable enough to justify the kind of decision he has taken in his budget. In fighting inflation he resorts to overkill—unintentionally I am sure, because he did not

know what he was doing—and in fighting unemployment in Canada today he is guilty of underkill. I say the economy needs a large stimulus now, and despite what the Minister of Industry, Trade and Commerce said, this would not be stoking the fires of future inflation. A cut in taxes now would not stoke the fires of future inflation. There are all kinds of slack in the economy today, and a large stimulus now need not be a continuing stimulus. As the economy picked up, the minister could start applying the braking process. But what he needs to ensure now is that the economy picks up, and he should not just take that for granted.

I say to the minister that his forecasting methods are crude, that the government's methods of manipulating the economy are crude, and that the economy is far more complex than he and his advisors conceive, otherwise they would never have concocted the white paper on tax reform. Instead of a tax reform designed to fit our economy, the government has been trying to fit the economy to its concept of tax reform. Now, instead of producing a budget designed to suit the needs of this country, a living, breathing complex of relationships among people, the government chooses to treat the economy as a piece of machinery which it can adjust at will, as if it were a question of putting in a little gas in the right place and in the right amounts. I say to you, Mr. Speaker, don't you believe him.

Some hon. Members: Hear, hear!

Mr. Stanfield: Hundreds of thousands of Canadians are already paying a high price in unemployment. The budget does virtually nothing for them in the coming months, and they will continue for months to pay for the government's past mistakes. I ask, how long are we all going to have to pay for the present mistakes of the government in the budget that we are now discussing? One newspaper describes this budget as "a scattergun approach". That is certainly not being too hard on the government. Apparently the government has decided that such an approach is sufficient, because it still does not really believe our economy is in trouble. In fact, after reading the budget speech itself, one would think that there are no real problems in Canada at all. In language consistent with the language in the Speech from the Throne, this budget speech once again takes a complacent, unconcerned line that has become the hallmark of this government. It talks smugly about "improving trends", tells us that we are "moving out of the pause", and generally simply takes for granted what it should be proving.

This budget is really little more than a gesture, a sort of public relations gimmick, a pat on the head of the unemployed and the Canadian people to say "there, there, you will see; everything will be all right". It is a little like a mother saying she will kiss away the hurt suffered by her little child when he has a fall. That is O.K. if it is just a scratch, but the government's policies have wounded our economy far more deeply than that. I say it is an insult for this government to suggest that now all it has to do is to kiss away our wounds. It is an insult to the Canadian people, and it is an insult to the hundreds of thousands of unemployed men and women walking the streets of Canada today looking for work.

This budget does nothing to help the low and middle income Canadian taxpayers. On the contrary, through the maintenance of the surtax when it was supposed to be eliminated, when we were all assured that was to be the case and when everybody was counting on it, the budget hurts everybody. Our approach would have been one of selective tax reductions, once again with the aim of engendering confidence. But the government has refused to do so, and once again I say the government is wrong.

This is a sort of go-it-alone budget, one that assumes rather arrogantly that only the government can be trusted with anything, even if it is precious little, that only the government can be trusted to do anything about economic expansion. The budget ignores the contributions of Canadians, whether they be taxpayers or businessmen. The budget ignores the contributions that Canadians can make through their own efforts and through their own decisions.

This is a budget that does nothing to encourage confidence in the economy, the sort of confidence that can lead to expansion and to growth. True, the government speaks in optimistic words, but we have seen enough of this government's lack of foresight to realize that these are words and nothing more. The government can fool itself, but it is not going to fool anybody else. What was needed was not words but action to demonstrate the government's confidence in the economy. There was not any. That was the true eloquence of that speech, a very unfortunate sort of eloquence, if I may say so.

This is a budget that clearly falls between two stools. In terms of the serious and immediate situation this winter, including the prospect of the worst unemployment situation in a decade, this budget is virtually useless, and in terms of long term economic planning it is virtually meaningless. It gives no hint of what, if any, long term plans the government has. This budget is totally devoid of meaning. Perhaps we will have another budget in January, I do not know. The budget is a mish-mash of unrelated, mostly insignificant measures that neither give any hope for the solution of immediate problems nor provide any guidelines for the future of our economy.

The hon. member for Edmonton West (Mr. Lambert) and other opposition speakers so far have called for a number of measures which I wholeheartedly endorse. These include the abolition of the surtax, the immediate relief for low income wage earners—which the government itself has claimed to favour—a reduction in the federal sales tax on building materials, and an emergency amendment to the Unemployment Insurance Act to temporarily increase the period of benefits and reduce the qualifications during the coming winter.

• (4:00 p.m.)

An hon. Member: For how long?

Mr. Stanfield: On an interim basis.

Mr. Benson: You just spent $2,000 million.

Mr. Stanfield: The minister says we just spent $2,000 million.

Mr. Benson: That's right.

Mr. Stanfield: That is a completely irresponsible statement.

Some hon. Members: Hear, hear!

Mr. Stanfield: A completely irresponsible statement.

Mr. Benson: Add it up.

Mr. Stanfield: I calculated it, Mr. Speaker, and that is the kind of silly talk in which the Minister of Finance indulges. That statement is as silly as some of the forecasts he has made in the past.

Some hon. Members: Hear, hear!

Mr. Stanfield: Sir, these are practical proposals. They are the sort of proposals that we were expecting the government to bring forward when it announced it was going to bring down a budget, because when it made that announcement we assumed the government had something useful to contribute. Instead, we have a document that, I am sorry to say, is quite worthless in terms of facing up to the very grave problems we are facing today.

The *Financial Times* summed up the situation, I think, very nicely in an editorial this week, and I quote:

> Mr. Benson's budget last Thursday may not have disappointed everybody in Canada. No expectations were high and some pessimists expected less than others. But Mr. Benson must have administered the greatest possible disappointment to the largest number of people.

Some hon. Members: Shame.

Mr. Stanfield: Sir, this is a disappointing document. This is an arrogant, complacent document. But it is one that once again shows the Canadian people the true face of the government. I am only sorry that the Canadian people have to pay so high a price to have a glimpse of the reality that is behind the fine words which we have been served so long.

Some hon. Members: Hear, hear!

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, this is the budget that was not going to be brought down, in order to deal with the unemployment situation which the Minister of Finance (Mr. Benson) says does not exist, and to improve the economy that the government says is progressing satisfactorily. Certainly, that is the conclusion anyone would come to who reads the speech of the Minister of Finance when presenting this budget last Thursday. That speech, Mr. Speaker, would lead one to believe that the Minister of Finance is living in a world of make believe. As reported at page 1738 of *Hansard* he says:

> —unemployment on a seasonally adjusted basis appears to be falling.

Surely, the minister has to be kidding. It is true he can hang that statement on a technicality because the seasonally adjusted unemployment rate from September to October dropped from 6.9 per cent to 6.6 per cent. However, he fails to point out that at the end of October there were 419,000 unemployed, that this figure is 21,000 higher than the previous month, and 105,000 higher than the same month of the previous year.

On the same page the minister is reported as saying:

> The national accounts for the third quarter also reveal that real output in the economy is rising.

Later, on the same page, he is reported as saying:

> —this latest information confirms that the economy is now advancing again—

But in the same speech, Mr. Speaker, the minister admits that budgetary revenues are expected to decline by $100 million below what had been forecast, which is surely an unfailing sign of a slackening in the economy. The fact is that the national economy is stagnant. There has been hardly any real growth since last spring. After allowing for taxes and rising prices, the average real personal income of Canadians actually dropped in the first half of this year.

It should be pointed out that the minister's optimism is in glaring contrast to statements made by Mr. Arthur Smith, Chairman of the Economic Council of Canada, in a speech which he made in Montreal on December 2. On that occasion the Chairman of the Economic Council said:

> Thus a significant portion of our national production resources are now running to waste—in total, perhaps at an annual rate of about $4 billion. In other words, on the average, in each week in the latter part of 1970, perhaps about $75 million to $80 million of output is not being produced that could potentially be produced, and an equivalent amount of total income that could potentially be earned is not being generated.

In the same speech, the Chairman of the Economic Council went on to point out that it would require an increase in real output of about 10 per cent to take the economy back to about 4 per cent unemployment by early 1972. To achieve our potential output by 1973 would require a 7.5 per cent growth rate in each of the next two years. I point out that this is a totally different prognosis of our economy from that which has been given to the House by the Minister of Finance. We have already had a bill to gag the Auditor General. Perhaps we shall now be confronted with legislation to silence the Chairman of the Economic Council of Canada, whose economic forecasts have been conspicuously accurate and whose warnings the government has consistently ignored.

In his speech the minister said, and I quote:

> We are in fact having a considerable boom in housing in Canada—

This is mainly due to massive pump priming by the government. But the 270,000 housing starts to which the

minister referred should be set in their proper perspective. At the beginning of the year the government set as an objective the construction of 200,000 houses. This was later revised downward to 180,000 houses. The last reports indicate that this goal will not be reached, and that the figure is more likely to be in the neighbourhood of 165,000 homes completed in 1970.

The minister contends that rising prices have been curbed, but this has been largely due to the drop in food prices with disastrous results for the farming population. The slowdown in price increases has been bought at the price of an economic slowdown and an unemployment rate that is the highest in the western world. The truth is that the Prices and Incomes Commission has abandoned its guidelines as a colossal failure because the government lacked the courage to impose selective mandatory controls in the sensitive areas of the economy. The government has consistently followed what I would call a stop-go policy. Instead of pursuing a policy that has clear cut goals and objectives which the Canadian people could understand and foster, the government's economic policy has been one of fits and starts.

In 1967 a former minister of finance, now the Secretary of State for External Affairs (Mr. Sharp), said the economy was like a car that had been going too fast, and that we must now take our foot off the gas and put it on the brake. Six months later he took his foot off the brake and put it back on the gas, and a few months later he had it back on the brake again. In 1968 the government decided to put its foot on the brake with a vengeance and introduced monetary and fiscal restraints. It was warned by the Economic Council of Canada, by some of the best economists in the country, by newspaper editors and by members of the opposition, that these restraints would inevitably lead to an economic recession. As late as a few weeks ago when the president of the Canadian Labour Congress, Mr. Donald MacDonald, warned that unemployment could reach 9 per cent this winter, the Prime Minister (Mr. Trudeau) not only questioned the accuracy of these figures but questioned Mr. MacDonald's veracity. For the past year danger signals have been flashing, but the government has consistently refused to see them. Rumour has it that the Prime Minister is annoyed with some of the economists in the Department of Finance for not warning the government of the impending unemployment crisis. Yet the government has no one to blame but itself. It has consistently refused to listen. Consequently, this country faces a very grim winter indeed.

• (4:10 p.m.)

The government was asked questions in the House as to whether any new measures would be introduced to deal with the unemployment situation. The answer was no. They were asked whether unemployment insurance benefits would be increased. The answer was no. They were asked if the government would implement a winter works program. Again, the answer was no. Having said no to all these proposals, the Minister of Finance is belatedly trying to put them into effect by bringing down this budget.

However, the budget, I submit, is too little and too late. Because of the time lag, through which it takes between four and six months for policies to become effective in providing jobs, the action taken by the government now will do little to provide employment this winter. It is to be hoped that it will provide some benefit in 1971.

This stop-go policy has caused irreparable damage to our economy. We have lost production in the last two years that can never be recovered. The government have been jumping from the brake to the accelerator, going when they should be stopping and stopping when they should be going.

An hon. Member: And going into reverse.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Now they have put their feet on the brake and the accelerator at one and the same time, with the result that the car has stalled.

An hon. Member: It stalled because they went into reverse.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The Minister of Finance will be known as the "great miscalculator". He has been wrong in almost every prediction that he has made.

An hon. Member: Take away his driver's licence.

Mr. Douglas (Nanaimo-Cowichan-The Islands): He has landed this country in an economic mess. If he had lived a few hundred years ago under an absolute monarchy—

Mr. Knowles (Winnipeg North Centre): Perhaps he did.

Mr. Douglas (Nanaimo-Cowichan-The Islands): —he would have been demoted from keeper of the King's purse to keeper of the royal chamber pot.

Some hon. Members: Hear, hear!

Mr. Woolliams: Everything in this country has gone to pot.

Mr. Douglas (Nanaimo-Cowichan-The Islands): This budget should have been aimed at getting the country going again. In order to do this, the government would need two basic approaches: first, an expansionist program to put the unemployed to work; second, a redistribution of purchasing power to stimulate the economy by creating effective demand. It is for this reason that the members of the New Democratic Party have been advocating repeatedly that the government should use large expenditures for the purpose of stimulating housing, the construction of schools and hospitals and other items of high social priority. We have urged that financial help be granted to the unemployed, to the old age pensioners, to

those on veterans pensions and to the recipients of war veterans' allowances. We have pressed for a reduction of tax payments for the low and middle income groups. This would have had the effect of redistributing income.

What have been the government's solutions with respect to these proposals? First, let us see what they have done about expanding the economy to put the unemployed to work. Belatedly, now, they are going to spend some money on public works. Twenty million dollars has been allocated for roads to the international airport at Montreal, and $23 million for the rest of Canada.

An hon. Member: Big deal.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Yes, big deal. This is a pathetic gesture, like throwing a sardine to a hungry whale. They are proposing to spend $40 million for housing. This will help, but it falls far short of what is required. No action is being taken to reduce the 11 per cent sales tax on building materials at a time when the lumber industry, which depends for 80 per cent of its business on the export trade, in facing a 6 per cent increase in costs as the result of the rise of the exchange rate of the Canadian dollar.

The government has proposed setting up a $150 million capital loan fund, from which the provincial governments can draw for public works. Mr. Speaker, the premier of Quebec first made these proposals last June in Winnipeg, at the federal-provincial conference. He called for a fund to be utilized for both grants and loans. The grants were to increase for the provinces with the highest unemployment and the loans would be a smaller part of the contribution which they would receive. What the provinces are to receive are not grants at all, but loans entirely, loans to be lent at very high rates of interest. No wonder Premier Bourassa is reported in the press as having said that, "The budget is insufficient to deal with Quebec's problems."

Some hon. Members: Shame.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Let us see what this fund is to do in putting the unemployed to work. It is to be spread over 16 months. Quebec is to get $68 million, and $28 million of that amount this winter. British Columbia will get $35 million, and of that amount $13 million this winter. Ontario will get $17 million, and $6 million this winter. Manitoba will get $8 million and $3 million this winter. Saskatchewan and Newfoundland will each get $5 million, and of that they will get $2 million this winter. Nova Scotia and New Brunswick are to get $4 million, and of that $1.5 million this winter. Prince Edward Island will get $1 million. Mr. Speaker, does anyone really think that these amounts of money will enable provinces to cope adequately with the problem of unemployment?

Mr. Stanfield: The Minister of Finance seems to think so.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

Mr. Douglas (Nanaimo-Cowichan-The Islands): By refusing to give this money in the form of grants as opposed to loans, the federal government has merely passed the buck to the provinces, which must now increase their debts and debt charges in order to receive amounts of money that will do little to help them solve the problems of the unemployed.

Let us see what the government is doing about the matter of redistributing purchasing power. We all expected, of course, that the 3 per cent surcharge on personal income and corporate tax would be dropped, because it was due to expire at the end of this month. The government has announced that the tax is to be retained. Mr. Speaker, this budget was not necessary. The public works items in it could have been included in the supplementary estimates, and members of the government could have made statements on motions. Why was this budget brought down? This budget is a farcical charade designed to conceal the reimposition of the 3 per cent surcharge which the minister said only six weeks ago would not be reimposed.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): This whole structure has been built up as a budget to conceal the fact that the government was going to continue taking from the pockets of the taxpayers of Canada $245 million a year. That money ought to have been allowed to remain in their pockets so that they could buy goods to stimulate the economy and create effective demand in this country.

Mr. Gilbert: Hear, hear!

An hon. Member: A nice Christmas present the taxpayers have been given.

Mr. Douglas (Nanaimo-Cowichan-The Islands): By creating effective demand, the government could stimulate the economy more effectively than by making available some of the write-offs and capital cost allowances which it proposes to hand out. These, the minister tells us, are going to cost the taxpayers of this country some $250 million. There has been no reduction of taxes in the lower and middle income groups. The least that could have been done was to have exempted from taxation single persons earning $2,000 a year or less and married couples earning $4,000 a year or less. The government has not done that. This is why we have moved an amendment criticizing the government for failing to do this. Even those in receipt of the guaranteed supplement will have to pay income tax on a pension which leaves them far below the poverty line.

• (4:20 p.m.)

Instead of raising pensions for those in receipt of the basic old age pension, as of January 1 their pensions will be reduced by $1.17 a month. Under the present legislation those receiving the basic pension would be entitled to a cost of living bonus which would have increased their pension to $81.17 a month. The government is

to freeze their pension at $80. What does this mean? Assuming that the cost of living increases by at least 2 per cent, and it will probably increase more than that, at the end of five years they will be receiving $9 a month less in actual purchasing power than they would have received if the legislation now on the statute books had been left alone.

It seems unbelievable that the government would freeze the basic old age pension and refuse to grant a cost of living bonus to these people. No other group coming under federal jurisdiction is denied a cost of living bonus. Retired civil servants, military personnel, Members of Parliament, Senators and those receiving the Canada Pension Plan all have a built-in cost of living bonus in their retirement plan. Only the old people are discriminated against.

What is the government saving? It is saving $15 million a year. Contrast this with capital cost allowances to industry which the Minister of Finance (Mr. Benson) estimates will cost the treasury $250 million. The government cannot find $15 million a year to give a cost of living bonus to the old people, but it can find $250 million to hand out to industry through write-offs. This is in keeping with the Liberal philosophy, "take care of the corporate structure and the corporate structure will take care of you."

Increased pensions for veterans and recipients of the guaranteed supplement will not come into effect until April 1, 1971. This will do nothing to help these people eke out an existence during the coming winter months. It will do nothing to help stimulate the economy at a time when it is in the doldrums. One cannot escape the conclusion that the government is callously unconcerned about what happens to the old people, the veterans and the unemployed during this winter. Their plans are aimed at an economic upswing during the latter part of 1971 in the fond hope that the economy will be rolling again by 1972. Such cynicism is unhumane and inexcusable. I am convinced that the Canadian people are not likely to forget this attitude.

[*Translation*]

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, the supplementary budget tabled last week by the Minister of Finance (Mr. Benson) brings nothing new but that it indicates the government has abandoned its policy of balancing the budget.

Over the last few years, both the government and the Minister of Finance have spoken very highly of the benefits to be derived from a balanced budget.

With a strong government, they said, there will be no more adverse budgets. The government was to take every step to insure maximum administrative efficiency.

All the afore-mentioned, Mr. Speaker, was to bring us a just society and a balanced budget. Those promises were made throughout the country and widely publicized, and Canada was to enjoy after that all the pleasures of the Garden of Eden.

That period was short, barely long enough to launch the publicity and inform the population. We just got to see the outside of that famous paradise, that is to say the fence in front of which some flowers had been planted for show.

Yet the Minister of Finance was so optimistic in his budget speeches of the last two years. Nevertheless last Thursday, as he announced a deficit, the Minister of Finance kept his smile and his confidence. Confidence in what? I wonder.

The minister talked of strategy, of economic objectives, of improving the income of Canadians, of guiding the economy toward high and sustained expansion, of eliminating regional economic disparities, of a more equitable distribution of goods and services and of several other matters. How conceited! There is no doubt that those objectives offer interesting features and are sought by all Canadians.

• (4.30 p.m.)

Mr. Speaker, I am positive that all members, whatever their political affiliations, are wishing for the same thing as the hon. minister and that they approve of the objectives. We hope these expectations will materialize and progress beyond the stage of wishful speeches. Otherwise, we will be bound to believe that the minister has joined the ranks of meteorologists who are always so sure of their long-term forecasts which in any case prove to be partly right in the long run.

So, this is a return to the adverse budget policy. When the budget was introduced last March, a surplus was forecast but now it so happens that the Minister of Finance is speaking of a $570 million deficit for the current year. Even if the minister while forecasting a deficit has no new taxes to announce except for the extension of the 3 per cent surtax, or social development tax, until December 31, 1971, an adverse budget points to new taxes later on. This is not for the coming months, of course, but new taxes will have to be levied some day, because deficits cannot be covered by borrowing only. So, there will be an increase of the national tax and of course, interest also will have to be paid on these borrowings, because as far as I know, the minister has yet to make the decision of asking the Bank of Canada to finance public projects on an administration cost basis.

For the time being, the government deals with liquidity problems, without caring too much for the future. A few weeks ago, it floated a $550 million bond issue, at rates of 5¼, 6 and 7 per cent depending on the term of the loan. It was said on the prospectus of this issue that the capital from the bonds would be used for the redemption of $375 million worth of maturing on Canadian government bonds on December 15, 1970 and for general expenditure purposes of the Government of Canada, including advances to the Canadian National Railway for the reimbursement of $40 million in bonds maturing on January 16, 1971, at a rate of 2⅞ per cent.

The amounts borrowed to redeem bonds at maturity are ever increasing, in fact, they are even greater than the amounts to be redeemed, as well as the rates of

interest. That is what budget deficits lead us to: ever increasing debts and rates of interest, to the extent where servicing the debt—14.1 per cent of the budget—ranks third immediately following health, which represents 23.7 per cent, and regional economic expansion, 13.7 per cent. It will not be long before servicing the debt ranks second among budget expenditures.

The 10 per cent increase in unemployment insurance announced by the Minister of Labour (Mr. Mackasey), which is provided for in the budget, will certainly be welcomed by the recipients. That step will enable them to meet part of their needs. By taking that step, the government recognizes the seriousness of the situation. They also recognize the fact that the programs announced in the budget will have no beneficial effect on the economy before several months.

Let us not delude ourselves about the results of the programs that have been announced: several months will go by before all the preliminary steps have been taken, so that the amounts given for this year will in effect be carried over to 1971.

While admitting that higher unemployment insurance benefits will put additional purchasing power into the hands of jobless consumers, we should not forget those people who are not entitled to these benefits, those who are no longer eligible or will soon cease and those who have never been eligible for one reason or another. Those people will not benefit from the 10 per cent increase and we know that there are many of them.

The Minister of Labour stated in his press release of December 3, and I quote:

> The 10 per cent increase in benefit rates will put a total amount of $54 million into the hands of the unemployed. This increase in their purchasing power will help stimulate the economy.

We agree with this statement. For years we have been repeatedly asking that the consumer's purchasing power be increased so that no action from the government will be necessary as regards production or investment.

It is astonishing that before suggesting a 10 per cent increase in the unemployment insurance benefits, the minister did not ask himself certain questions. In fact he did not say: Those benefits cannot be increased because they will create inflation. He did not hesitate. He did not say I am sorry, we cannot do it, there are not enough products, dairy products are scarce, grain is scarce, Canada is short of clothing. I am sure he did not even think of that. Indeed, he was quite pleased to make this announcement because he knew that it would be well received.

When the Minister of Finance said, in beginning his speech, that employment in Canada is rising, I think he was contradicting himself. If employment is rising, why has it been decided to raise unemployment insurance benefits and to announce the introduction of new programs? It is high time the real problem should be recognized.

More precisely, the Minister of Finance declared, some time ago in Alberta, that unemployment has become the government's No. 1 enemy. In saying so, the minister confessed to his own failure.

During the year 1970, large corporations have laid off at least 10,000 workers in the province of Quebec only. In my view, these figures are conservative since lay-offs in large corporations outside Quebec have not been taken into account. Among the larger corporations, Canadair has laid off nearly 3,150 workers during the year 1970 and has announced another 350 lay-offs before the end of the year.

Canadian Marconi has laid off 800 workers since the beginning of the year.

In the Quebec City area, Industries Valcartier, a general Investment Corporation subsidiary, will lay off 500 persons before the end of the year.

On the other hand, the United Aircraft Corporation has reduced its staff from 5,400 employees to 4,850 since the beginning of the year.

In the last six months, some six companies in Drummondville have closed their doors or have laid off nearly 800 workers.

Recently, the Wabasso Corporation has been laying off employees in Grand'Mère and Trois-Rivières.

This is the situation in the field of employment. All the investment programs which have been announced will be beneficial in the long term. But this does not solve our present short-term problems.

Before investing or capitalizing in excess, we must also think of consuming.

Adoption of the sub-amendment now being considered which aims at raising personal tax exemptions to $2,000 for single persons and $4,000 for married persons would be a positive action allowing people with insufficient income to increase their purchasing power, consume more and leave in the economy an important sum of money. I will therefore support this sub-amendment without qualification.

Before concluding my remarks, I would like to say a few words on the extension of the General Adjustment Assistance Program to the footwear industry. That program will not solve all our problems. I agree with the Minister of Industry, Trade and Commerce (Mr. Pepin), who believes that certain industries must modernize and recycle their production. That is true, but the great problem now is not so much that of modernization, because I know certain industries which have spent considerable sums of money in recent years to modernize their plants and which are in a position to produce a very large quantity of shoes everyday. Yet, despite all that modernization, those industries are facing problems because for a few years now we have been importing very large quantities of shoes from countries where salaries are low and where they still use manufacturing processes given up here many years ago. I have even learned that in some countries, certain phases of the manufacturing of shoes were given to women who did part of their work at home during their spare time.

Thus by proceeding in that manner, it is obvious that goods can be marketed at a lower price and I do not believe that, even if the government is ready to pursue notable endeavours in the way of modernization, it will be in a position to definitely solve the problem confronting the shoe industry, especially if it merely grants subsidies to the manufacturers or guarantees their borrowings. In fact, from 1956 to 1969, footwear imports increased by 568 per cent, reaching in 1968 the record volume of 46 million pairs of shoes.

Now, I believe that the problem is acute, especially considering that skilled shoe industries are located in areas where unemployment is quite high and where wages fall below the Canadian average. Therefore, measures other than the assistance made available for modernizing machinery should be introduced because the existing uneasiness in the footwear industry has significantly contributed to boost unemployment in several areas this year. I consider that it is high time to act before it is too late.

There are many other points that I should like to touch upon and that I feel very important, including construction. As many others, I had hoped that the Minister of Finance would announce at least some reduction in the sales tax on building materials. This would have been a tremendous encouragement to construction in some areas of the province of Quebec as well as in the whole country.

The government did promise to provide an additional $40 million in the field of construction. This amount will be used to build some 4,000 housing units. Frankly, considering the housing needs in Canada, it can be seen that those $40 million cannot solve the problem.

Once more I express the wish that the Minister of Finance seriously consider the possibility of abolishing the sales tax on building materials. I hope he will bring forward in a few months, before the next budget, bills to assist those who need a home. Reducing or abolishing that tax would be a great step toward the solution of Canada's housing problem.

• (4:40 p.m.)

[*English*]

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker—

Mr. Knowles (Winnipeg North Centre): Make it good!

Mr. Mackasey: I thank the hon. member for the advice. I am debating whether to follow my notes or to answer the heckling. Perhaps I should start again and try to follow the text.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Enjoy yourself!

Mr. Knowles (Winnipeg North Centre): It would be more interesting if you would just talk to us.

Mr. Mackasey: If I were to talk about the socialists I would have to comment on their contributions to this debate to date, which amount to absolutely nil. That is predictable. It was the same contribution we have heard from them during every budget speech for the last 25 years—no taxes, more welfare, put the corporations out of business, and somehow everything will work out all right. This has been their philosophy in Saskatchewan for so many years, and we all know what happened to the hon. member; he has been travelling ever since.

Mr. Douglas (Nanaimo-Cowichan-The Islands): They are not doing very well now!

Mr. Mackasey: I know you are not, but hope springs eternal. Perhaps the hon. member, having lost the leadership of his party, should go back to his riding cap in hand and say to his constituents: "If you will take me back I shall be able to represent you a little longer".

Mr. Douglas (Nanaimo-Cowichan-The Islands): That does not happen to be true, but you could go out there and try.

Mr. Mackasey: I understand my Parliamentary Secretary did a good job, but perhaps the hon. gentleman will do better next time. I would rather talk about unemployment insurance and the contributions that will flow from the increased benefits that come into effect on January 1, namely the 10 per cent increase in benefits for people on unemployment insurance.

The Leader of the Opposition (Mr. Stanfield) was kind enough yesterday to ask some basic questions about why the Minister of Labour had recommended that the government follow the procedure of increasing the size of the benefits rather than extending the period of benefits for the winter months. I must admit that the alternative suggested in the question of the hon. gentleman had been thoroughly discussed within the department but rejected in favour of increasing benefits, and for fairly logical reasons that I should like to explain.

One of the reasons is this. If not for logical reasons certainly for historical reasons, and because of climatic conditions, we have paid in the winter months what is known as seasonal benefits. Seasonal benefits, as most members of the House already know, provide a method for extending unemployment insurance benefits to those unemployed who, under normal circumstances, would not be eligible for benefits for a variety of reasons—for example, perhaps not enough stamps in their book, indicating insufficient attachment to the work force before becoming unemployed.

Because we already have in the existing plan this feature that permits the Unemployment Insurance Commission the maximum degree of latitude with regard to extending existing benefits to those people who normally would not be drawing any benefits, it was felt that it might be in the best interests of the economy, and of the people drawing unemployment insurance in particular, that these benefits be increased by 10 per cent.

I think it is significant, too, that the $54 million will not be taken out of the Unemployment Insurance Fund but will be taken from general revenue. This simplifies the introduction of this change and prevents the necessity for legislation. In addition, it removes the temptation on anyone's part to suggest that the 10 per cent increase, or the $54 million, should at the same time be accompanied by an increase in contributions.

I think this particular feature of the budget that was announced by the minister the other everning should meet with general approval from the House. Let me make it quite clear that it helps only certain of the unemployed, those who are temporarily without earnings, rather than the chronic unemployed, the underemployed, or people who unfortunately have to live off assistance and welfare. Nevertheless this immediate injection into the economy of $54 million should in some way help to provide some of the spending power that I think we need if we are going to stimulate the economy in the immediate future to any great degree.

• (4:50 p.m.)

I think the Minister of Finance has already pointed out in greater detail than I could, and I do not intend to repeat, the other features that were announced during the week prior to the budget. I have in mind the increase in war veterans' allowance pensions, and in basic pensions, GIS, etc, all plans which eventually will put into the hands of people many at the bottom level of the income scale in Canada the type of income they need and deserve.

I might sound rather like a heretic if I were to suggest that a country as rich as Canada should never again be faced with this degree of unemployment. People today are interested in the quality of life rather than quantity of life. A better educated work force and, paradoxically, a better educated non-working force will no longer tolerate the booms and busts of our economy. They have been synonymous with most of the economies of what is loosely known as the western world. The targets of this and all future governments should at all times be full employment. I think I am really echoing the sentiments of the cabinet in general, and certainly those of the Prime Minister (Mr. Trudeau), in saying that, everything being equal, this government is dedicated to the concept of full employment.

Full employment is a matter of definition, of course. The Economic Council defines it as 3 per cent unemployment. Others define it as 3.5 per cent, and the actual records I have from 1962 probably indicate that the rate of unemployment in the last decade has been between 4 per cent and 5 per cent. I might indicate as well, in case the opposition feels a little smug or complacent about their own record, that between the years 1958 and 1962 the rate of unemployment in this country surpassed 7 per cent. I am not trying to be partisan by this remark but there is a parallel between the problems which confronted Canada between 1958 and 1962 and the problems that face the country at the present moment.

[Mr. Mackasey.]

Behind unemployment, or contributing to it, has been the repetition or recurrence of inflation. Among our economists, at least those of whom favour, Galbraith, Friedman, Keynes, there is a difference of opinion as to how to control inflation. Traditionally, the manner in which it has been controlled in most countries associated with the International Monetary Fund and similar organizations has been by fiscal and monetary policies.

The Prime Minister or the Minister of Finance (Mr. Benson warned a year or so ago that fiscal and monetary policy control inevitably and unfortunately led to unemployment. It seems to me, as a person who does not claim to be an economist, that the time has come when economists both in the government and outside find a better way of controlling inflation and replace measures that unintentionally put Canadians out of work. I think speakers on both sides of the House have indicated the terrible toll this takes and the lack of productivity it generates. There is a greater need at this time for a better way when the work force of this country, both employed and unemployed, is demanding a better quality of life. People today no longer will tolerate slums or accept unemployment. They will not tolerate pollution and exploitation.

Perhaps one of the phenomena of the present decade, and certainly of the future, is that the people have the media to communicate their discontent. Perhaps what has been overlooked by the House is that as far back as the month of March the Minister of Finance predicted the problems with which we are now faced. In the month of March the government released considerable sums of money into the economy. The chartered banks of the country today have more than ample money available for lending, and interest rates have decreased substantially. This was not the result of action taken last week but the result of action taken last March. This indicates that the Minister of Finance was doing the proper things as far back as March to stimulate the economy, to control unemployment and to reduce the always terrible spectre of inflation which, in the final analysis, is as equally demoralizing as a high rate of unemployment.

The Leader of the Opposition (Mr. Stanfield) and the leader of the NDP as well, as other hon. members in the opposition, are and will logically be talking about the problem of unemployment. They talk about people on fixed incomes and our senior citizens. I am as aware of these people as they are. I am not unaware of what inflation does to these people on fixed incomes. All of us realize there is a limit to what a country of this size with 20 million people can do in the form of desirable social measures. This is a country of many regions with many regional disparities. It does not have the productive capacity of the United States. Certainly, anything is economically possible in a time of full employment. I think the message we should be getting is that we cannot expect both a high rate of unemployment and the high measure of social assistance this country desires and expects. Certainly, none of us appreciates or feels comfortable with certain fiscal and monetary policies that control inflation but result in higher unemployment.

There is no point in any member of the opposition or anyone else presuming that inflation was not one of the great problems this country has been faced with in the last year or so. It is all too easy to forget that it still lurks around the corner. Learned economists still point out that unless we are very careful, the reinjection of money to prime the pump, as somebody has said, such as money needed to increase housing starts for instance, is a factor that contributes to inflation. I might also mention the $54 million which will be put into the economy this winter and the $150 million the provinces will be using for winter works, as well as the reduction in interest rates designed to stimulate operations and expand the economy, all are potential factors in recreating inflation.

• (5:00 p.m.)

One thing intrigued me more than anything else in these contributions to which I have listened today. I refer to the contribution of the leader of the New Democratic Party who on many occasions has emphasized the need for selective controls in the future. This could be the answer. I have heard him use this expression on half a dozen occasions in this House. To this extent, we know that he is sincere in speaking of selective controls. I have heard him on radio and television speak of the use of selective controls. I have never heard him tell us precisely in what areas he would use his selective controls. I do not know whether he would advocate controls in respect of abnormally high wages in the construction area. I do not know whether this is one area he would consider. In all probability, he would place selective controls on the chartered banks of the country. In line with the philosophy or what used to be the philosophy of that party—I am not sure what it is these days but presumably it is the philosophy before the waffle group takes over—I presume the selective controls in this country would be in general against big business just as if big business has no place in the economy.

Big business does generate jobs and the opposition must realize that if we are to have the social policies this country needs, and if we are to create the jobs we need for perhaps the fastest growing force in the world, we will have to encourage Canadian investors, multinational and international corporations to invest in this country, preferably along guidelines that will protect the Canadian economy and prevent further erosion of Canadianism. Nevertheless, I think the suggestion of the hon. gentleman who leads the New Democratic Party that we should be prepared to introduce selective controls might very well be the answer to the next round of inflation. The point I am getting at is that this country can no longer afford the type of unemployment that faces us this winter.

If an unemployment figure of 3 per cent historically has been equated with full employment or what is commonly called the trade-off point or the emergence of inflation, then from that point on, if we are to have full employment, it is obvious that we will have to find something other than simply fiscal and monetary policies with which to conquer inflation. It may be that selective controls would be a solution. Certainly, this would be preferable to massive unemployment. We may have to introduce controls. They may be selective controls, as Galbraith suggests, over key industries and over key trade unions or over the unions which operate in the key industries such as the steel industry, the automotive industry, the chemical industry and others. He suggests these unions should be controlled because their agreements affect the service industries and the effect on these industries breeds dissension among the low-income workers, so the spiral starts all over again. I do not know whether these are the selective controls to which the hon. member alluded, but they are the controls referred to by Galbraith.

The other method by which to control inflation is voluntary restraint. I think we have gone through a period which indicates that this approach leaves a lot to be desired because there were not too many volunteers. There were very few volunteers in the professional ranks. There were not too many landlords who were prepared to roll back rents. There were not many professional associations, such as architects and engineers, that were willing to roll back their fees. There were not too many people in the medical profession who thought they should reduce their fees. So obviously the villain of the piece was identified as organized labour. The method of voluntary restraint leaves much to be desired because it requires not only the full co-operation of some of the groups I have mentioned, but also requires the full and absolute co-operation of the provinces since we live in a federal state. It is unfair to select labour as the villain of the piece in respect of the workability of voluntary restraint. It is also unfair to presume that the Prices and Incomes Commission did not have any effect on prices.

If the Prices and Incomes Commission had no effect on prices, then big businesses would be tripping over themselves to re-endorse the concept because so long as they endorsed the concept and labour did not it was very easy for them to pinpoint labour in respect of its inability or unwillingness to co-operate. The fact that big business has not re-endorsed the Prices and Incomes Commission is an indication that this commission did have an effect, if only a psychological effect, on prices. With the new policy it will be interesting to see whether or not prices will remain within bounds over the next year or year and a half.

I believe the proposed changes to the Unemployment Insurance Act which will come into effect in July represent legislation which is long overdue. I believe this is the feeling of the committee which is composed of members of all parties in the House. Certainly the co-operation has been extraordinary. The points of difference have been very few. I believe this is a realistic approach to unemployment, or to the problems in respect of a particular group of unemployed, those who are temporarily unemployed or temporarily without earnings.

This legislation is not intended to be, nor will it ever need to be, a substitute for a guaranteed annual income. Nor, indeed, will it be the instrument by which to look at the problems with regard to the permanently disabled, the permanently unemployed or people without work for

long periods of time. But at least the benefits under this new plan which will be related to income will permit the person temporarily out of work to seek work without the problems which plague people who draw the rather low benefits which the unemployment insurance plan now provides. At the present time there are too many Canadians who happen to live off two cheques, one from the Unemployment Insurance office and another from the Canada Assistance Plan or local welfare. The new plan, if adopted and if the standing committee report does not basically change it, will do a good deal to remedy this. There is one feature in it which ought to appeal to members of the House. This is the fact that the government will absorb the cost of the plan once it reaches 4 per cent seasonally adjusted.

I do not believe members quite appreciate precisely what this means. When, for reasons best known to the economists or to the government, the unemployment figure may hit anywhere up to 7 per cent, the cost to the government would be $433 million. Certainly, this is a sum which may make people wish to review a little more closely what we call the trade-off factor. I think this regulatory feature is one of the better features of the new plan.

• (5:10 p.m.)

In conclusion let me say that I think the time is approaching when the problem of inflation should be tackled on a tripartite basis. I think that some medium of communication between labour, management and government is imperative in the future. There have been such talks of course at private levels. I have participated in some of it, and some of the viewpoints that have been advanced by economists attached to the labour movement have been very enlightening, very fruitful and very progressive. But I do not think that organized labour can stand back and divorce themselves from the problems of this country any more than big business can expect to operate in isolation without any humanitarian approach to the problems. I am not particularly pleased when multinational corporations close up plants in Cornwall or London, Ontario, with a minimum of advance notice and with little or no concern for the plight of the people whom they put out of work.

These are the type of responsibilities that private enterprise must assume in the future because there is more on trial than just the government or the opposition. In effect, the whole system is on trial, and people want more out of the private enterprise system than just a job and 4 per cent or 5 per cent rate of unemployment. They want full employment; they want social measures; they want an end to slums and pollution and all the other social evils. The message that all of us should get is that unless we are capable of taking up this kind of challenge we are going to be hardpressed to maintain this kind of private enterprise system which I happen to think is the best for our economy, despite what the socialists may think. We need and will see more and more government intervention and government participation in the decisions over the next decade. We can no longer afford inflation nor can we any longer afford abnormally high rates of unempoyment.

Mr. Jack Murta (Lisgar): I really had not expected to be called upon to speak in the House so soon, but it appears my colleagues in the official opposition have decided that, since I am here, they might as well put me to work.

Mr. Mahoney: Good idea.

Mr. Murta: It would be an understatement to say that I am happy to be sitting in the House of Commons. What would perhaps be closer to the truth would be to say that I am overwhelmed. It is surely one of the greatest honours that can be accorded to any Canadian to be selected to representent a riding in this great country. Having said that, I hope hon. members will indulge me when I say that it is a particular honour to be chosen to represent the Lisgar riding in the province of Manitoba.

Hon. members will know that I came to the House of Commons as a result of a by-election following the untimely death of the previous member for Lisgar, George Muir. In his years in the House, George Muir earned the respect and regard of the people in his riding as well as of those who knew him in his capacity as a sitting member. I hope and trust that, as I mature in this job, those who selected me as his replacement will feel that they have made the right choice.

Some hon. Members: Hear, hear!

Mr. Murta: This might be a good time to enlighten my colleagues as to the advantages of living in the Lisgar riding, and to invite them to take the first possible opportunity to avail themselves of our hospitality. Easterners are inclined to think of Vancouver, Edmonton or Calgary when mention is made of the west, but the fact is that the great Canadian west begins in Lisgar.

Lisgar riding stretches for about 130 miles from east to west, bounded on the south by the United States border and ending in the picturesque farmlands of a town called Killarney. Its eastern boundary follows the twists and turns of the Red River as it flows north from the United States border, and part of the northern boundary is the historic Assiniboine River. The Pembina River winds through Lisgar from west to east and flows into the Red River.

A large proportion of Lisgar riding comprises fertile land, and this, coupled with the fact that there are no large cities in the riding and very little industry, has resulted in an agriculture based economy in the riding. This can be both good and bad. In good times, when crop and livestock prices are high and there are good markets, life in Lisgar can be filled with all of the good things for which men and women strive. Conversely, when the agricultural economy in the country is in decline, the people of Lisgar would feel the effect a bit more than areas which enjoy an input from industries or resources. It could be said that in Lisgar we live with one anxious finger on the pulse of the agricultural economy.

People are the most important element in any riding, and I would like to speak for a moment, with justifiable pride, about the people in Lisgar. We have a situation that is fairly representative of agricultural communities in the country in that about 30 per cent of our people are 45 years of age or older. This is largely because we cannot provide adequately for the young people, talented and eager young people who want more than is available to them in a situation where the family farm is on the decline and there is no industry to absorb them. This is understandable, but it saddens me none the less, to see young people leave the rural life, not because it does not appeal to them but because there is no alternative.

About 40 per cent of the people in my riding are of British origin. Among them are some of the first families to settle in the area. About 11 per cent are of French Canadian origin, and it is the nature of the French Canadian to preserve his language and his culture wherever he settles. This has greatly enriched the culture of Lisgar, and we can consider that we benefit from the fact that we have the best of the two founding cultures of this great nation. We are also extremely proud of the people of Dutch ancestry who make up about 23 per cent of our number, and the 11 per cent of our riding who are of German origin. There are others, such as Poles, Ukrainians and Italians, to mention a few of the ethnic groups that grace our riding. We are indeed fortunate, and perhaps a little proud.

It is to the credit of the farmers of Lisgar riding that they saw the wisdom of diversification in agriculture long before the advent of the Lift program. Our people are not easily discouraged, and when it became apparent that farmers would have to adapt to new conditions and appeal to new markets if they were to survive, they began to diversify. They diversified because they wanted to survive. The people of Lisgar, for the most part, enjoy their way of life. The farm and the rural community are what they know best and what they like best, and they have decided that they will not easily be discouraged from holding on to the way of life that appeals to them.

• (5:20 p.m.)

I should mention in connection with that, Mr. Speaker, that about 80 per cent of the farm families in Lisgar live on the farm the year round. It is not just a business with them; it is their way of life. Many of the people I am talking about weathered the great depression. They came out of it poorer, but proud and more determined. Such people scoff at suggestions that they leave the farms for the cities, and we can ill afford to displace them, whatever the reason.

Much as I believe that the farm and the rural community are worth saving, and much as I believe that the headlong rush to the cities should be decelerated, I am not suggesting that we attempt to stop the clock. Progress is just as inevitable as death and taxes, and we in Lisgar want as much as anyone else to be a part of the great era of science and technology that lies before us. And we in Lisgar realize full well that we can do much to preserve our present environment by diversifying still further, and setting out to attract industry to bolster our local economy. At the same time that we are ensuring the continuance of those things that we want to keep, we might also encourage our young people to stay in our riding. The time has come when we need them. However, we must ensure that we not only keep them but that in future, when they look back, they will be glad they stayed.

To attract industry, a riding must have a labour force and an abundant supply of good water. We have the labour force and the water in Lisgar, but the water flows through our riding into the Red River and is lost. It is possible that at some future time my colleagues in this House will join with me in exploring ways that this water might be put to use in Lisgar. My predecessor was engaged in studies with regard to a series of dams on the Pembina River which would make supplies of water available to our agricultural region, and also provide the water reserves necessary to the development of industry. If a series of dams such as this could be built I have no doubt that industry and processing plants, as well as a new intense form of agriculture would emerge in Southern Manitoba.

Before I leave this point, Mr. Speaker, I would like to dwell for just a moment on the aspect of agricultural people leaving the farm to find a new life in the city. By this I do not mean the young people who are just starting out in life. I am thinking about the people whose lives have been moulded, people who have spent a considerable part of their working lives in the agricultural economy, and who cannot easily adjust to an alien way of life. For the most part, these people would not have an opportunity to learn a new trade or profession, and would therefore be unable to compete in the job markets.

If it is necessary that these people should be relocated, and I concede that this will be necessary in many cases, then their prospects would be bleak indeed if we did not plan such moves very carefully in advance. I know many such people, and so I have a particular interest in what happens to them. They are for the most part proud individuals who have been used to working hard for what they receive. They would not take lightly to such remedies as welfare, and yet without training they would not have a chance in an alien environment. I mention this, Mr. Speaker, because this is an area in which I will take a special interest when I become fully involved in the affairs of the House. I do not suggest that I am in favour of accelerating the decline of the family farm as a part of the Canadian agricultural industry and as a way of life for those who prefer to live and work in the country. It just so happens that I think if our rural life is to continue it will be because of strong family farm units in rural areas.

Some hon. Members: Hear, hear!

Mr. Murta: I understand fully that an uneconomic farm unit must be phased out of the economy, just the same as an uneconomic business or industry must fall by the way. I am hopeful that some means can be devised whereby as many as possible of our farm units can be preserved where people want to remain on the farm, and where

such people can contribute to the success of their farm businesses with the application of sound management principles. Those who are forced to leave the farm should be trained for new jobs, and assisted until they are resettled.

While there are many advantages to living in Lisgar, Mr. Speaker, we are faced at the present time with the same problems that face the rest of the country. For that reason my people are understandably interested in what the federal government is doing and what it is proposing with respect to resolving farm problems. Now that I am in Ottawa, I expect that I will be getting letters and phone calls asking me what I am doing to help solve some of these problems.

Again, like the people in the rest of Canada, the farmers in my area are sorely beset by a shortage of cash to see them through the winter and to assist them in getting in the crops in the spring. Because of the nature of the farm industry in my riding, it appears that the corrective measures instituted thus far will have less effect than in some of the areas further west. However, I will be in a better position now to determine just what is being done and what is being planned.

Cash shortage in my riding is the result not only of slow movements of grain out of storage but is also the result of low market prices for hogs and other livestock. There is also a great deal of concern in my riding over the way the traditional markets for eggs and poultry have virtually dried up as a result of provincial restrictions imposed recently on the movement of eggs and poultry across provincial boundaries. I am hopeful that these problems will be resolved before permanent damage has been done to our traditionally stable markets.

Inasmuch as the entire economy of Lisgar is agriculture oriented, I hope sincerely that we will be able to devise some means of getting our farmers through the winter and spring. It is imperative that we do so if we are to head off economic disaster in rural ridings. I am not being an alarmist, Mr. Speaker; the situation is really that critical.

My colleagues will no doubt be happy to learn that I am about to conclude my remarks. I would guess that they are as happy as I am that I managed to get through my first speech without destroying the parliamentary system of government. I will try to correct that when I engage in serious debate in the future.

Some hon. Members: Oh, oh.

Mr. Murta: I would like to conclude my remarks by saying to my colleagues on both sides of the House that it has been most gratifying to have been received so warmly on my arrival here. I have been greatly encouraged by the kind of assistance that has been rendered me on every hand. Now that I am formally installed as a member of Her Majesty's Loyal Opposition, I hope fervently that I will be here long enough and will conduct myself in such a manner that I will be able to feel at some future time that my colleagues on both sides of the House are also my friends. Thank you, Mr. Speaker.

Some hon. Members: Hear, hear.

• (5:30 p.m.)

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, several things have already been said about the budget, but there is still a great deal to say. The main things have yet to be said. No mention at all has been made of logical solutions likely to settle our problems. The problems exist, but no solution is being proposed. Solutions are feared as if they were thunderbolts, but I shall take it upon myself to suggest some.

Every time the budget is brought down, reference is made to taxes and the taxpayers are even more burdened with taxes. Indeed, the administration takes in from 50 to 60 per cent of the income, so that the taxpayer is left with practically nothing.

In order to make money available to taxpayers, new loans must be raised and, consequently, more debts, that many more new burdens and difficulties which lead us to the worst failures on record. The more we move ahead, the more complicated the process becomes; as the rate of unemployment increases, so does dissatisfaction and also the trouble we have in solving our problems.

And all this is due to the fact that we ignore the true solutions to our problems. Once these problems are solved, it would be easier to provide for a sound administration.

Over the weekend, through the newspapers, I read some of the comments of various public and semi-public organizations on some aspects of the budget.

No general reduction in income taxes was announced, but a 10 per cent increase in unemployment insurance benefits was made official.

If we decide to increase unemployment insurance benefits, it is a sign that we are very far from the measures which should be passed to give the population what it is entitled to.

It was decided to continue for another year the surtax of 3 p. 100 on individual and corporate incomes. Well, Mr. Speaker, when one wants to relieve someone who has a very heavy load to carry, one makes his burden lighter rather than heavier. The situation is directly opposite in the present budget.

Nearly $150 million are granted to the provinces for job-creating projects, therefore laying at the door of the provinces the present difficulties because if they borrow $150 million they will have to pay an excessively high rate of interest.

If the Minister of Finance (Mr. Benson) had frozen the interest rate at 1 or 2 per cent, then it could have been said that he was truly willing to help the people instead of being partial to the financial sector. What he is doing now he is doing it for the latter at the people's expense as well as at the expense of the provinces already overtaxed and to whom further loans will only bring further difficulties.

Subsidies of $23 million are granted to the areas that have won the "unemployment Grey Cup" for the fight against unemployment and $20 million for building roads and facilities at the new airport. That makes sense because such things are necessary, but those are not the measures required to solve the problem of unemployment because machines are doing the work nowadays. In fact, only a few hundred workers will be hired for the construction of the international airport.

The Canadian Manufacturers' Association and the Chamber of Commerce of Canada, two of the most powerful organizations in the country, give the same interpretation to the budget statements of the Minister of Finance. Both say that the minister has chosen to give a little help instead of a moderate assistance to the economic development. Those are the words of Mr. J. C. Winthrop, vice-chairman of the Canadian Manufacturers' Association.

The newspaper *La Presse* of December 5 featured an article by Mr. M. K. Carthy, the Executive Chairman of the Chamber of Commerce, who speaks along the same line. In both cases, they are experienced people whose opinion deserves respect.

As for me, Mr. Speaker, I want to take advantage of the few moments at my disposal to try and determine the constant cause of popular dissatisfaction over the budget that the minister has tabled.

Mr. Speaker, the estimates for our national production for the year 1970-71 are so favourable that they should allow all Canadians to enjoy a decent life. If we admit the importance of this production, on the other hand, we can state positively that it is not in keeping with the purchasing power of most Canadians.

• (5:40 p.m.)

United Nations experts have many times called the Assembly's attention to the vicious circle in which the undernourished people find themselves.

According to them, malnutrition is one of the main causes of poor health in the Western world. And yet, we pay Western farmers to prevent them from growing grain, and that does not bother anybody, except those who are hungry. That makes them think.

The capacity to run into debt is greater than the ability to repay. Where are the reforms that the Minister of Finance or the government introduced to remedy the situation? Nobody notices anything and loses sleep over it. Discussions are held in order to go deeper into debt, while the old debts remain unpaid.

The government refuses to face facts. We are heading for complete failure because of our refusal to recognize that the problem is strictly economic, because we refuse to protect our economy by using our rights and prerogatives.

A time will come when new strategies will be planned because capitalism refuses to realize the meaning of the progressive discontent of frustrated populations. However, it is time to tell those who govern us to wake up, because they are dozing in the face of a dissatisfied society on the road to rebellion. The man who is naturally dedicated to justice revolts in the face of the present glaring injustice of our financial and fiscal systems. If we persist in ignoring the real objectives of community life, the real functions of the nations ministers and representatives, the fundamental structures of society will be undermined at the root and we shall witness the final collapse. The day this will happen may not be far away, and I am not hoping it will come. I am here today because I want reforms and because I see what is forthcoming. If others cannot see it, I do. Such are the conditions in which I speak before you now, in all awareness, anxious to assume my own responsibilities.

I regret that such a large number of Liberal and Conservative members have no solutions to offer to the government. It would still be possible to bring in the corrective measures needed within the framework of our conventional capitalism and stop communism from gaining ground.

We are fighting against poverty. Every attempt is made to balance our present economic system which generates poverty, but poverty persists. Departments and commissions are set up to determine whether poverty exists in Canada. This problem has been considered for many years.

When I was elected to the House in 1962, the Liberals were in the opposition. They were accusing the government of doing nothing to fight unemployment. They deplored the high unemployment rate, they denounced the misery of the people and they asked the government to take the necessary steps to put an end to it.

And the Conservative government passed all sorts of measures, including a winter works program, for instance, in the hope of protecting our citizens from unemployment and poverty. To this end, credit was loosened and the government had to run into deficit again and the Liberals inherited this situation when they took office. They said that the country was suffering from inflation and that it was absolutely necessary to take measures liable to cure it. But, in the guise of fighting inflation, they are pushing the Canadian people back into a state of dire need and they put our economy out of balance to an extent yet unknown in our country.

We are unable to avoid going from one economic recession to another. And even with stable governments, we have never succeeded in ensuring economic stability. Therefore, no stability, either with the Liberals or with the Progressive Conservatives. Indeed, we have known only unemployment, poverty and wars because we refuse to establish social justice as a means of distributing affluence instead of want.

The hon. Minister of Finance is now attempting to solve the present economic problem with his dropping-tube budget. Indeed, it takes more than a dropping-tube to eliminate the economic disorders we are now plagued with and that will plague us in the future if the government persists in generating want instead of distributing affluence.

We are not responsible enough to assume our responsibilities. Such an attitude is totally uncalled for.

The people are disatisfied with their traditional administrators, Liberals and Progressive-conservatives. The

people are fed up with old-line politics of backward and fossilized governments, unable to keep in tune with modern thought and science.

There is something wrong with the thinking of administrators, and any remedy is being cast aside. When one is well seated in an upholstered chair, when there is no problem at home, when a certain class of society is satisfied with the system, as are the big financial institutions —because that system is a gold mine for them, even if they operate at the expense of the little people—one can expect that the people will see to it one day. And that day, it will be a terrible disaster.

The dissent of students, and even the sensible recommendations of the new and less complacent political parties are as many symptoms of an uneasiness which will not disappear even through the most desperate efforts of an obsolete administration not attuned at all to our modern times.

• (5:50 p.m.)

Since the beginning of this century we have seen big industrial capital settling down in Canada and expanding so successfully for itself and for its millionaire and billionaire institutions; time has come to wonder whether all this show of power and production is actually meeting the rightful aspirations of our population.

Recent unusual events have forced this government to introduce unusual legislation.

Where are we heading to? The people are at a loss and are watching the government and the 264 ministers and Members of Parliament they have democratically elected to lead the country. This includes even the disserters and those who voted for the opposition members, including the impatients and the revolutionaries who are trying to get justice within a just society in Canada.

The unusual events that forced us to introduce an unusual legislation deserve at least being analyzed and studied with a view to finding their underlying reasons. And this is not being done. Let us think about it because when the bus is slowly skidding off the highway the driver should be wakened up and not the passengers. We are now trying to wake up the passengers because the driver is doing a bad job and refuses to take his own responsibilities to reach his goal.

This is a comparison. Normally when a passenger is travelling by bus no unusual events happen. Everybody reaches his destination and is quite satisfied with the trip made at an agreed price.

If the bus skids into the ditch, the passengers have reasons to be annoyed and dissatisfied, to seek out the people responsible for the unusual event and to ask at least to be led to their destination as established on departure.

If at the time of the last elections our citizens asked for a just society in a united Canada, they expect to live in such a society. They have reasons to be displeased if they see injustice everywhere, as well as a faulty distribution which makes the rich become richer and the poor poorer. They are also right when deploring unemployment and inflation, the exclusive privileges granted the large corporations, the hardship, want, insecurity and poverty prevailing among too large a sector of the population which, in its own way, contributes to the social, financial, economic and political life of the whole nation, according to its means and intellectual capacities.

The unwonted events which took place these last months should compel us to plead guilty and examine our conscience as to the way we guided the destiny of 22 million Canadians who paid to have a just society in a united Canada, as requested by the Prime Minister (Mr. Trudeau) who seems to be doing its utmost but who is always hindered in his action by traditions, red-tape and known or secret influences. It behooves us to support him in order to lead the state again towards justice, balance and harmony.

Mr. Speaker, when you administer a whole, you must take care of every part, because as everybody knows, the whole is made up of the parts. Canada is a whole which is made up of 21.5 million Canadians. These 21.5 million Canadians must be given a guaranteed income. Everywhere production is divided between consumption and capitalization. In all administration, revenue equals expenses plus profits. If we are to have a just administration, we must have revenue. In order to pay taxes and live decently, every citizen must have an income. And if the individual in society does not have sufficient income to cover his expenses, then there is unemployment and the undeserved poverty that we now have.

On behalf of all Canadians, I call upon hon. members to think deeply. In the name of justice, I call upon them to meet their responsibilities and to establish a fair system of justice based on economic reality. None of this was provided for in the budget, and few members strive towards social justice in Canada. I have come to the conclusion that they have no social conscience at all.

In 1970 production amounted to $84 billion. One should find in this amount expenses for $63 billion and benefits for $21 billion. That percentage of 75 and 25 should show up at the level of every single administration whether individual, domestic, social, municipal, provincial or federal. Everone should get his share of that production of $84 billion. Consumption should amount to $50 billion, and the capitalization surplus should amount to $34 billion. Capitalization is so considerable that citizens are denied a decent living standard. Part of it should be distributed within society. The Minister of Finance should have announced a reduction of the cost of living that is high at present because of ambitious people who capitalize too much.

The minister should have stepped in but unfortunately he still protects the big financiers. He is the enemy of the people because he does not assume his responsibilities.

[*English*]

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but I must do so, it being six o'clock.

At six o'clock the House took recess.

[*Translation*]

AFTER RECESS

The House resumed at 8 p.m.

Mr. Latulippe: Mr. Speaker, before recess, I was saying that it would be easy to balance our economy if we would all co-operate.

The various white papers published up to now by the government, the Speech from the Throne in September 1970, the miniature budget brought in by the Minister of Finance on Thursday last, the investigation of the Senate committee on poverty as well as the eventual report that is not expected before next April, those are different indications that the economic system is sick and completely unbalanced on the whole as well as in its various forms of activity.

What should be the established order is organized disorder, planned economic unbalance. And all the efforts made to correct this situation do nothing but clog all the more the wheels of administration without in any noticeable way improving the results. Everyone does his best, under these circumstances, at each administrative level, but the main fault lies with those who lead, be they well known or unknown, elected by the people or by the shareholders of big financial, industrial or business corporations.

Mr. Speaker, I have drawn a table to shed a little light on all the white papers proposed by various departments. This table is more eloquent than all the thick reports of the Royal Commissions on banks, unemployment, poverty, biculturalism and many other topics, which are so costly in time and money but very often do little more than increase the confusion in the minds of officials, ministers and departmental technocrats.

The Acting Speaker (Mr. Laniel): Order. I regret to interrupt the hon. member, but I must point out to him that his time has expired.

The Chair is taking this opportunity to remind the hon. member for Compton that it is not in keeping with parliamentary procedure to allow hon. members to have part of their speeches or a document printed in *Hansard* unless the House is agreeable.

[*English*]

Would the House agree to allow the hon. member for Compton to table the documents and tables or to make them an appendix to Hansard?

Some hon. Members: No.

[*Translation*]

The Acting Speaker (Mr. Laniel): Apparently the House is not willing to allow the hon. member to do so. I, therefore, feel compelled to recognize the hon. member for St. John's East.

[*English*]

Mr. James A. McGrath (St. John's East): Mr. Speaker, when the minister introduced his budget a few days ago we were encouraged by the many references he made to

regional development and particularly to the Department of Regional Economic Expansion. We were encouraged because many of us in the House, indeed many throughout the country, have long held the view that in order for regional economic expansion programs to be effective in this country they must be co-ordinated with the government's monetary and fiscal policies.

We hope that the government is finally coming around to this viewpoint, because in order to have regional development policies that result in the creation of employment and the stabilization of the economy there must be this co-ordination with our monetary and fiscal policies. More particularly, if these regional development programs are to be truly effective in stabilizing the economy and creating employment, then they in turn must be truly regional in concept. We therefore welcome this change in government policy, noting at the same time that it is one we have advocated for some time.

• (8:10 p.m.)

This concept is directed essentially toward the creation of employment opportunities in the regionally disadvantaged areas of the country. It is our belief that if you designate the whole country as a special area under a regional development incentives program, as my colleage the hon. member for St. John's West (Mr. Carter) said you will end up, in fact, with no special areas and the program as a consequence defeats its very purpose. This is what we have been trying to tell the government since this program was first announced. As a result, we draw some encouragement from the fact that the minister announced in his budget speech that the government proposed to lift the ceiling on individual projects undertaken in the Atlantic provinces under the regional incentives program. Special incentives are essential if the area is to attract new industry or encourage plant expansion by existing industries.

We all know that industry has to take the initiative under this program, and we point this out as one of the major weaknesses in the program. If the initiative is left to industry, it will want to locate in areas close to major markets. This, we submit, is a major weakness in the program. The government, in announcing the special incentives for the Atlantic provinces—which we feel are essential if the area is to compete with other designated areas close to the major markets of the country—offset this advantage to the Atlantic region because in the same budget speech the government announced the designation of the city of Montreal and the southeastern area of Ontario as special areas. I submit it will take considerably more than the 10 per cent additional incentive for the Atlantic region, which the government has proposed, to offset this move.

I am not for a moment suggesting that unemployment is not seriously high in Montreal and the southeastern area of Ontario, because we all know it is. I am saying that the Atlantic provinces do not stand a chance under this program. There is no way they can compete with the advantaged areas of the country in terms of transportation and proximity to major markets. In this respect the Atlantic provinces are just not in the ball game. I am

very much afraid it will take a winter of hardship, as a consequence of probably the highest unemployment since the depression, to prove this point. This also applies to other areas of the country; I have in mind particularly northern Ontario and the Gaspé region of Quebec.

The proposed amendments to the Regional Development Incentives Act will certainly improve the program; nobody would deny that. But it will not do so in so far as the regional disadvantaged areas of the country are concerned. I make special reference to my own province of Newfoundland. In this connection that province does not stand a chance. The only way industry will be induced to establish in the province of Newfoundland, with its transportation problems, is if the people of Newfoundland will assume all the risks involved in a new venture. We have evidence and many examples that this is a fact. The people must assume all the risks, thereby making it so attractive to promoters that they in fact have nothing to lose. The people of Newfoundland must assume all the risks which would normally be assumed by the entrepreneur. This added burden to the people of Newfoundland must automatically increase the already high burden of provincial debt. This is a debt which I submit is already critically high.

The Minister of Regional Economic Expansion (Mr. Marchand) and the officials of his department seem to have been completely carried away. That is the only way one can explain the reason for this program which makes the whole of the country a designated area, to the economic disadvantage of regions which are now completely out of the economic picture, particularly areas such as the Atlantic provinces which had certain advantages prior to the coming into effect of this program. I refer to programs such as the Atlantic Development Board which gave that area a special status. This special status has been lost. The government cannot escape its responsibility to the slow-growth provinces such as Newfoundland and the other Atlantic provinces. The government has a responsibility to discharge in respect of the implementation of its special programs. It must be responsible to the regionally disadvantaged areas of the country.

These special programs can only be successful when the government recognizes that regional development must be approached on a regional basis. There must be regional application of this policy. What is good for the city of Montreal, the county of Glengarry or the southeastern area of Ontario is not necessarily good for Newfoundland, the Atlantic provinces, northern Ontario or the Gaspé region of Quebec.

It is a fact that unemployment in the Atlantic provinces is expected to reach 14 per cent of the work force this winter. What other area in Canada would tolerate such an astronomically high level of unemployment? This is the prospect we face in the Atlantic provinces. In Newfoundland and other parts of the Atlantic provinces, the rate of unemployment will actually exceed this figure. It may, as the hon. member for Gander-Twillingate (Mr. Lundrigan) suggests, go as high as 20 per cent. This government does not seem to realize that the structural causes of high unemployment in this region, such as remoteness from major markets, an aging population, inadequate educational capacities and reduced capability of the work force, have been seriously aggravated by the government's anti-inflationary policies.

• (8:20 p.m.)

It is not good for the government to saddle a region with the high cost of its anti-inflation campaign and then, unsuccessfully, try to offset these costs with an inadequate regional incentives policy. I submit that the region must be provided with a new economic base. The Atlantic provinces must have a new economic base if they are to compete not only in terms of this program but under ordinary circumstances with the rest of Canada.

To quote the major recommendation of the fourth report of the Atlantic Provinces Economic Council, we must have a new economic base if we are to become a viable sector of the Canadian economy. Regretfully, I suggest to the House that we will not get that essential, new economic base under this program and consequently the program will fail, as it is failing now, to meet the needs of the Atlantic region. As I have said, what little advantage we had has been lost. We have lost the little special status that we had. To realize this one has only to quote the recent reaction of APEC, the Atlantic Provinces Economic Council, in reference to the budget and to the government's proposal to designate Montreal and the southeastern area of Ontario as special area. The reaction was as follows:

> If DREE wishes to counterbalance the designation of Montreal, Hull and Cornwall it has the power to do so by extending maximum grants to firms locating in the Atlantic region. Extending the ceiling is merely window-dressing.

Further in the same article there is this statement by the government of New Brunswick:

> This will make it more difficult for us to attract new industrial firms, which will tend to locate in central Canada. Although Mr. Benson has indicated these are only for a limited time it will be difficult for Ottawa to resist local pressures to retain them.

By designating the city of Montreal and southeastern Ontario as special areas under the regional development incentives program, the government has in fact placed the Atlantic provinces at a further disadvantage which will become more painfully apparent this winter with the prospect of a record high rate of unemployment, the highest contemplated unemployment since the depression.

I listened today to the Minister of Industry, Trade and Commerce (Mr. Pepin) refer to the need for a selective approach to areas of high unemployment. This is precisely the point we have been trying to make in the House since the government announced its program. I submit this is the point the government has failed to recognize in bringing down this policy. The government persists in taking a blanket approach to the problem, failing to recognize that this country is not one homogeneous unit but is, rather, comprised of five distinct areas each with a distinct economy. I submit this is a major weakness of the government's program to deal with regional economic development and is, regretfully, one which the Minister

of Finance (Mr. Benson) failed to recognize when he brought down his budget.

What is equally disturbing about the government's development policies is the arrogance that seem to personify the Department of Regional Economic Expansion. The department takes an arrogant approach to the problems of regional disparity. We see it in the House in the minister's cavalier attitude in responding to questions on regional economic expansion. As a matter of fact, the attitude of the Minister of Regional Economic Expansion is such that we cannot seem to get an answer to a question in this House; he always seems to skate around the question.

One senses the same arrogance on the part of the Department of Regional Economic Expansion, in the Standing Committee on Regional Development. The attitude of the minister, his deputy minister and the officials of the department toward the members of this Standing Committee of the House is such that they tell the members of the committee as little as possible. They completely fail to respond to questions. The minister and his officials evade questions and adopt a cavalier attitude, or one of non-cooperation, with the committee. The result is that this Standing Committee is one of the most ineffective committees of the House.

This committee should be in a position to help the government and the department in devising and implementing regional development incentives programs. This particular committee, of which I have the honour to be a member, has travelled throughout the country. It has visited many areas of western Canada, the Atlantic provinces and eastern Quebec where members of the committee had an opportunity to take a first-hand look at the existing programs for which the Minister of Regional Economic Expansion assumed responsibility and see them at work. We had an opportunity to speak to the people in these areas.

However, the committee has failed to make a single recommendation to the House. As I say, it is the most ineffective committee of the House. I submit that a great deal of the blame for this situation rests with the Minister of Regional Economic Expansion and his deputy minister, because their attitude has created a situation of continuing frustration.

The arrogant attitude of this department, upon which so much dependence is placed by the government in this budget, is frightening. It is causing a great deal of concern because the government feels—certainly the Minister of Regional Economic Expansion feels—that in regional development programs it is preferable to proceed on the basis of trial and error rather than on the basis of listening to the elected representatives of the people and taking advice from the provinces and municipalities of this country. The minister, in a statement released today, explains the proposed amendments to the government's regional industrial incentives program as follows:

• (8:30 p.m.)

> We have had to learn some lessons by experiment. No doubt it will turn out that we have made a few mistakes.

Time does not permit me or my colleagues from disadvantaged areas of this country to catalogue those mistakes in the House because it is a substantial catalogue of trial and error. Why is it necessary for the government to proceed in this way? Why does the government not pay heed to the Standing Committee on Regional Development? Why does the government not pay attention to the members of this House who day after day direct questions to the Minister of Regional Economic Expansion? In particular, why does the government not consult the provinces and the municipalities? Why does it persist in ignoring these essential sectors of government in respect of programs that can only be successful and effective so long as they have the complete trust and confidence of the provinces and municipalities? The government persists in its program of trial and error.

In the same statement the minister announced that in order to reduce the tremendous workload that is placed upon the shoulders of senior officials of his department in connection with the regional development incentives program, a special board would be established. I quote from the minister's statement as follows:

> I therefore propose to establish a small board, consisting of my own senior officials plus representatives of the Department of Finance and of the Department of Industry, Trade and Commerce, together with a few expert advisers from the private sector.

No reference whatsoever was made to the provinces and municipalities which have an essential part to play in any industrial incentives program and which have a very important role to play in any program of regional economic expansion. Why the government persists in this philosophy is beyond me. One can only conclude that this department, with its minister and deputy minister, its senior technocrats and bureaucrats, a department which every day grows in size and in organization, has an attitude of "we know best".

They have a condescending, cavalier attitude toward the provinces and municipalities of this country and to the House. They refuse to take advice in areas where programs they are implementing are essential to the local governments, municipal and provincial. Perhaps the attitude of the Minister of Regional Economic Expansion can best be summed up by a comment that was made by an assistant deputy minister of the department at a conference on regional and rural economic adjustment which was held in Winnipeg from November 12 to 14, a conference sponsored by the Canadian Council on Rural Development and the Canadian Economic Association. He said that one of the reasons the performance of the Department of Regional Economic Expansion was less than adequate was that DREE had to respond to political expediencies in their development program.

The Acting Speaker (Mr. Laniel): Order, please. I regret having to interrupt the hon. member, but his time has expired.

Mr. McGrath: May I be permitted one final sentence?

The Acting Speaker (Mr. Laniel): Does the House give unanimous consent to the hon. member to continue?

Some hon. Members: Agreed.

Mr. McGrath: I merely wanted to say that this sums up the failure of the department—it has to respond to political expediencies. For this reason it has failed to meet the objectives set out for it by Parliament. Consequently, the Minister of Regional Economic Expansion has an obligation to the House, in view of the special responsibility placed upon him by the budget, to come before the House and explain his program in terms of the budget.

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the economic program of this government since it was elected in 1968 has achieved the paradoxical combination of a series of ad hoc decisions combined with a consistent and lunatic preoccupation with inflation. Even on the question of inflation itself the Minister of Finance (Mr. Benson) has never been able to sort out whether he is dealing with the cost-push or demand-pull factors. We saw in his budget last spring all kinds of contradictory evidence on this point, and we saw the same kind of confused thinking in the budget which was brought before us last week.

The result of this kind of seriously and almost criminally directed effort has been that the growth rate of our economy has been reduced in effect to zero, if we consider the population growth and, not unrelated of course, we are about to achieve in Canada the highest number of unemployed in the history of our country. This has been the serious forecast by a number of competent economists regarding the trends which will reach their lamentable peak next February. This, I repeat, is a deplorable record for any government, and particularly deplorable in light of the expectations of hundreds of thousands of Canadians who thought they were electing a progressive Prime Minister (Mr. Trudeau).

Instead of dealing in a serious and meaningful way with the situation, instead of coming before Parliament and the people of Canada last Thursday with an imaginative, sound, serious program dedicated to achieving full employment and, not unrelated again, a sense of community in this country, we had the same kind of quick, unthought-out, contradictory proposals that have characterized the Minister of Finance since he assumed that position. The budget gives every indication of being concerned both with unemployment and inflation. The surtax is left on, yet all the rhetoric that is in the speech purports to reflect a concern for the unemployed position in which hundreds of thousands of Canadians find themselves. A trivial $250 million is to be given up by this government in its 115 per cent capital cost depreciation allowance program—a pitiful amount of money if we intend seriously to inject funds into the economy to do something about unemployment.

• (8:40 p.m.)

Firstly, the government proposes to grant an increase of $5 to a family man who is living on unemployment insurance—a ridiculously low amount which would still leave an unemployed man with a family at the poverty level. If you consider the budget seriously, these are the central recommendations. Instead of that, what was needed was a concerted attack on the present economic position of the country. We should have had an across the board tax cut for middle and low income families, and complete removal of taxation from family men and women with incomes up to $4,000 and single people with incomes up to $2,000.

Secondly, we should have had a major infusion of public capital into the economy. Thirdly, we should have had an indication from the government that it was going to establish a central economic planning board which would give serious priority to economic development. The amount of money that this party recommends, Mr. Speaker, is not the paltry $250 million that the minister is going to save on the 115 per cent capital cost depreciation allowance, but rather it is in the billions of dollars. That is what we need now, and we need it in a very serious way. It should not be spent in subsidizing private corporations but in the creation of Crown corporations and co-operatives on the one hand and, on the other, on encouraging public expenditure through municipal governments and agencies which already exist. I will return to that point.

It seems to me that this kind of spending through the public bodies and co-operatives on the one hand, spending on new enterprises and significant increases in expenditures at the municipal level on the other hand would achieve the desirable economic effect of injecting new cash into the economy and therefore would provide some increase—I do not want to exaggerate the possibilities—in job opportunities.

The second important point to be made is that such money spent affects people living in our society on the basis of equality, and that is what the spending and the use of political power of democratic governments in our kind of society should be all about. Let me give specific examples of how this money could be spent in a way that would not just stimulate the economy but would benefit those who need it most. In respect of public housing, for example, approximately 2 million people are in need. In the city of Toronto alone there are 88,000 of these people. That is a rough calculation based on 22,000 families who right now need public housing. Yet the government is spending only 3.9 per cent of all its funds on public housing, which is less than 60 cents per capita. Spending in this area would have an important spin-off effect by encouraging full employment in all industries related to housing and it would provide housing to people who badly need it, many of whom are out of jobs.

Secondly, in terms of tax relief I have already said that tax cuts across the board are needed at the middle and low income levels, and we need the complete removal of income tax from single people earning up to $2,000 and from couples earning $4,000 or less. The other point I want to make with respect to tax reform, which should be introduced now and not postponed, is that the government, if it wants to redirect the economy, should get away from the ad hoc kind of decision-making that has gone on in Canada ever since World War II. It should take seriously the objective of stimulating and expanding

[The Acting Speaker (Mr. Laniel).]

the public sector. It could have done this now by introducing special tax credits for those who want to purchase municipal and provincial bonds. This would be a significant reform.

It is in the area of municipal and provincial public spending that we can most readily affect those who have average and low incomes, because in the main the facilities provided by municipal and provincial governments are provided to citizens on the basis of equality. It makes no difference whether a child is a member of a rich or a poor family in terms of whether that child benefits from public schools, public universities, public parks, public swimming pools, or what have you.

It is just this kind of shifting of priorities that we need in our economy if we are to take simultaneously and seriously the democratic objective of equality and the economic objective of stable employment. But no such indication has come from the government, certainly not in this budget and certainly not in the white paper on tax reform.

The hundreds of thousands now unemployed, the fishermen in Newfoundland, the auto workers in my constituency who were unemployed in their thousands before the strike which is currently taking place and will likely remain so after it has been settled, the unemployed cab drivers in this city—in short, the unemployed throughout the country—need their unemployment insurance benefits increased and increased immediately. Those benefits need to be increased much more than the paltry $5 which the government offers for the family man. The very minimum we need, and need now, is the kind of proposal in the white paper on unemployment insurance. There is no reason why an unemployed man in this country should not receive at least two-thirds of his income during periods of unemployment. He does not create that unemployment. It is created by the economic policies of government, whether it be federal or provincial, and neither he nor his family should have to suffer the consequences.

In terms of public spending, the government could have shown a little imagination. For example, it could have decided to develop winter parks in the way that many of the provinces have developed summer parks. We could have taken our national parks and installed several ski-tows in each of them at a cost of $50,000 or $60,000 per tow. That would provide a minimal kind of employment initially, but at the same time it would provide a real opportunity for skiing Canadians who happen to earn less than the $15,500, which is the average income of skiers in this country, to use such facilities. We could provide a meaningful and exciting winter parks program for the people of this northern country instead of leaving our recreational facilities in the winter available primarily for the rich.

Also, at the time of the budget announcement the government could have decided that it would no longer leave to corporations the unfettered right to open and close factories. We could have taken away from Duplate Canada Limited and the Dunlop Corporation of Canada Limited the right unilaterally to throw hundreds of workers out of work even though the men and women might have been in those jobs for up to 35 years. It is not merely the human right to have some say about your job that is at stake here—and that is an important right—but also at stake is the unfettered right of corporations to make these investment decisions. Only by getting at that kind of control which currently remains with our corporate sector can we effectively develop an economy based upon the principle and the goal of full employment.

Much of the fooling around with the system, the special tax allowances and so on, that the government seems to admire so much is totally and completely wasted. What is needed instead is a serious effort by the government to have some say in these investment decisions. But, Mr. Speaker, that would mean effectively taking on the corporate directors in this society, and no Liberal government in the past—and certainly not this Liberal government—has shown the slightest indication of willingness to take this kind of action.

Mr. Benjamin: What about "Tiger" Basford? He takes them on.

Mr. Broadbent: Mr. Speaker, the member who preceded me talked convincingly about the inadequacy of the regional development program. He did not mention that over 60 per cent of the funds which have gone into that program since the election of this government have gone into foreign-owned industries. We are perpetuating, in underdeveloped parts of Canada, the economic sickness which is reflected in the developed regions. Our party has argued that this kind of financial assistance to foreign-owned firms should cease immediately. We are not saying that no foreign capital should come in; that should be made clear. However, we are insisting that when it comes in, it ought to come in on the basis of a minority shareholder.

• (8:50 p.m.)

Instead of relying overwhelmingly, as we now do in regional development programs, on foreign-owned firms which will distort the priorities of our economy and which will contribute to the boom and bust cycle, we should be encouraging a combination of mixed capital development projects, using federal funds and private Canadian capital as well as private foreign capital. This method has been used in Turkey, in Sweden and in Japan. It has been used so often that one would think even Liberals had learned about it.

In addition, we should use in many cases public capital exclusively for investment in development. In some cases we ought to create entirely new enterprises, and in some cases we ought to buy up existing enterprises, especially those in the natural resource sectors. We have some $4 billion now in the reserve fund. A good part of that money will not be needed if we maintain a floating exchange rate. I do not see why a good part of this money should not be used to gain control, for example, of the oil and gas industry in this country. This would stop the export of the profits of that industry. Also—and this is at least of equal importance—it is a modern industry

in this society and in the modern world economy. It has real potential for growth.

By gaining control of that kind of industry we would begin to control the research and development that is related to its ownership. We could begin to develop in Canada, for example, many of the new products that are associated with the petrochemical industry in its operations all over the world. These products are being currently developed outside our borders because the industry is foreign-owned. This kind of imaginative step, if taken, would not have provided remarkable, short-run improvements in our unemployment situation. It would have provided some new jobs; there is no doubt about that. However, such a step would have indicated that this government is interested in bringing about a structural change in the economy and that it is providing for real, economic growth in the future. In the budget speech there is not the slightest hint that the government intends to move in this direction.

Finally, what is needed is a federal economics planning board. This board ought to be concerned about all the areas I have mentioned. It ought to encourage the development—the Prime Minister (Mr. Trudeau) ought to do this—of equivalent planning boards in all provinces so as to co-ordinate the investment priorities as between the federal, provincial and municipal authorities of this country. Such a step would require, of course, the federal government and provincial governments to assume a number of the powers currently held by corporations, especially the exclusive power to determine their investment priorities. That is the kind of deliberate action that is required, and only that kind of action will begin to have, in the long run, a significant effect on our economy.

What would be the net effect of the proposals that I have made? Some are specific and some are rather general in nature. It would be irresponsible of me to suggest that in the short run thousands of new jobs would be created. That would not be the case. There would be many new jobs created if we started to put money into housing, streets, schools and new, publicly-owned enterprises; but it would take time for the effects to be really felt. Probably they would not be felt until next spring, at best.

In addition to the short-run economic effects, however, there would be other benefits. The people of this country would sense that we have a government that is concerned about equality for all the people, about equality of condition for all the people of this nation. If in the short-run such action is unable to bring about 100 per cent employment for our people, and if it is unable to bring about a purely egalitarian situation, it would enable us to regain control of our economy over a period of time. It would be seen that the government fully intends to use democratic power in the economic sector of our society to bring about the kind of full democracy that is surely desired by all. Such action, in short, would give the people of our country who are now living in a condition of unemployment without power and lacking in dignity, a real basis and legitimate foundation for believing there is hope for the future.

[Mr. Broadbent.]

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I should like in opening my remarks to extend my felicitations to the hon. member for Lisgar (Mr. Murta) who made his maiden speech a little earlier in this debate. He has succeeded a man who was well known to many of us and dearly beloved. In following in the footsteps that George Muir trod in this House, I wish him well. The hon. member expressed some concern that many of us in the House think of the west as beginning at Calgary, Edmonton or Vancouver rather than at Lisgar. May I assure him that when he has been here a little longer he will find that many members think the west begins at Oakville or Hamilton.

In the debate this afternoon the Leader of the Opposition (Mr. Stanfield) joined in the general clamour for a tax reduction and increased social programs, while all the time complaining about the government's increasing pressure on the capital markets as a result of the deficit proposed in the budget that we are considering. As nimble as he is, the Leader of the Opposition will have difficulty keeping all those dumbbells in the air at one time. There are some contradictions that we must face in terms of simple arithmetic if not sophisticated economics.

• (9:00 p.m.)

The Leader of the Opposition has suggested that monetary and fiscal policies alone cannot do the job of curing inflation; that we must supplement these with an incomes policy, although he says this has not worked satisfactorily anywhere. If left with monetary and fiscal policies as the main weapons against inflation, how would he use them? How would he maintain the full employment that he advocates and still bring the long, inflationary spiral under control? This, Mr. Speaker, is an aim that no country, regardless of the degree of intervention the government has taken in the private sector, has succeeded in achieving.

The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) earlier today advocated large expenditures in terms of schools, hospitals and like items of social developments, as well as increased financial assistance to the aged, disabled and unemployed. He also advocated a tax reduction for those in the low income group. He at least had the decency not to criticize the government for pressure on capital markets in view of the program that he was advocating. However, he was concerned about what he alleged were the stop-go programs that this government had adopted. I asked him to recall the problems that the Labour government in Britain faced when it pledged to end its stop-go policies. They were obliged to follow stop-only policies in order to prevent inflation caused by the wage demands of the unions that supported them. That party is no longer in power.

The reaction of the opposition parties to this budget provides the clearest indication so far as to how bankrupt they are in policies and programs for promoting strong, stable, long-term growth in our economy. The Conservatives and New Democrats have engaged in a contest to outbid each other in extravagance in their proposals for creating a massive government deficit through mammoth

increases in spending and a major reduction in government revenue through tax cuts. There would be economic disaster for Canada if the government were to adopt their proposals, or if through some misfortune they had the opportunity to implement them.

With regard to inflation, opposition parties have over a number of years belaboured the government when prices have risen, acknowledging that inflation is a critical national problem. Yet they have opposed virtually all measures adopted by the government to deal with this problem, measures of a kind which the Organization for Economic Co-operation and Development and the International Monetary Fund recently urged other governments to follow.

I quote as follows a number of recommendations of the OECD for the coming 12 to 18-month period for countries facing inflation:

> All member countries should aim to restore at least the degree of price stability associated in the past with sustainable levels of employment and economic growth. To this end, cautious demand management policies are required. Excess demand should be eliminated and governments should be prepared, where necessary, to accept temporarily some slack in the use of resources until there are signs that better price stability has been achieved.

I believe Canada has achieved that position. Other nations have yet to achieve it. I continue quoting:

> In cases where unemployment is rising towards unacceptable levels, attention should be directed to the possibility of selective action directed to areas of high unemployment, rather than indiscriminate increases in public expenditure or general tax cuts. Within the framework of appropriate over-all fiscal restraint, expenditure on government-sponsored manpower training and relocation programs should be increased as much and as quickly as is possible.

That is precisely what this budget is all about. This budget is a series of measures of selective action directed toward areas of high unemployment. It is not indiscriminate increases in public expenditure or general tax cuts. The third recommendation of the OECD made last month is as follows:

> Despite the difficulties, the search for effective price-incomes policies should not be abandoned; but this should be regarded as a long-haul operation unlikely to yield miracles.

I think it has been proved to our satisfaction that this has not yielded miracles in Canada. The government is pursuing these policies in an attempt to achieve all that it can within the limits of our Constitution. We have every confidence that in the long haul we will indeed achieve these objectives.

Experience has shown that the present inflationary round that Canada, as well as other nations, has had the misfortune of having is one of the most serious and intractable ever to develop in the post-war period. What solutions have the Progressive Conservatives advanced to halt this inflationary spiral? They have urged the adoption of voluntary restraint guidelines. This afternoon the Leader of the Opposition stated that the government adopted these guidelines a year or two too early and that now is the time to be pushing them. That is regrettable. The government in fact did this long ago through the establishment of the Prices and Incomes Commission. The Conservatives also advocate the abolition of the sales tax on building materials. Is it possible to imagine that so major and critical a problem could be overcome by such a bromide?

The exercise of responsible restraint by all sectors of the economy is desirable and necessary. However, the OECD, the International Monetary Fund and the Economic Council of Canada have all underlined the fact that such restraint can only be a supplement to other measures adopted by governments to put out inflationary fires. In fact, Conservative proposals for dealing with inflation are so devoid of substance as to be ludicrous.

The Conservatives have charged that the government has done too little, too late, to deal with the problem of unemployment. They now urge mammoth increases in spending and mammoth tax cuts. This is diametrically opposed to the course they proposed some months ago. What was the position of the Conservative party earlier this year? When estimates for the current year were tabled in this House in Feburary, the hon. member for Edmonton West (Mr. Lambert), the party's financial critic, strongly criticized the projected increase of $900 million. He said:

> When we consider that in 1963-64 the total estimates or total expenditures of the government were just over $6.4 billion, we can see that the series of Liberal administrations has more than doubled government expenditures at the federal level. We have complained from time to time that this government follows the practice of taxing up to expenditures. It is for this reason that we are facing continuous surcharges or additional taxes.

In the budget debate on March 12, the hon. member for Edmonton West again complained about the projected $900 million increase in benefits and said:

> That is not controlling expenditures. If there were to be control, if there were to be a real fight against inflation by fiscal measures, we would be taxing to defeat inflation, not merely to catch up with the bills that are coming into the government.

Speaking in this House during the Throne Speech debate in October, the hon. member for Edmonton West dismissed as insufficient the series of measures adopted by the government since the last budget. He contended that a "much more massive injection must be furnished by the government". In this House, on November 12, the Leader of the Opposition urged major increases in spending, echoing the New Democratic Party's proposal for calling a federal-provincial conference to discuss development of a public works program, in addition to substantial spending in other areas.

• (9:10 p.m.)

The Leader of the Opposition also proposed tax cuts on the same occasion suggesting it would be "very interesting" to see whether this would work to counter inflation. While his proposal was lacking in clarity, he appeared to suggest that the surtax should be allowed to expire and income taxes reduced a further 6 per cent. This, presumably, was in addition to the abolition of the sales tax on

building materials. The cost of these tax cuts would be as follows. The elimination of the 3 per cent surtax would cost $240 million, the reduction of personal income tax by 6 per cent would cost the treasury $310 million and the cost to the provinces as a result of the same cut could be $135 million.

In addition, eliminating the sales tax on building materials would cost $360 million, and if the Leader of the Opposition intended that his proposed 6 per cent income tax cut should extend to corporations as well as to individuals, the treasury would lose a further $118 million. In other words, the total cost of these suggestions to the treasury, if implemented, would be $1,163 million, or $1.04 billion if the 6 per cent reduction in corporation tax is excluded.

The New Democratic Party has recognized that inflation is a serious problem and has acknowledged the need to employ fiscal and monetary restraints to help overcome it. Nevertheless, they have continued to urge a massive expansion within the existing framework of fiscal and monetary policy which would have the very opposite effect. They have suggested that inflation could be overcome by the imposition of controls over prices and incomes, although recently they have been shifting away from this position.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Not at all.

An hon. Member: What about the unemployed?

Mr. Mahoney: You will have the opportunity to prepare your manifesto before the leadership meeting. We have listened to the trial run with some interest. We note that the imposition of controls is strongly opposed by both the Conservative Party and by organized labour, which may or may not have something to do with the shift in the approach taken by the NDP. The government has resisted pressure to apply controls because of the adverse impact this would have on economic growth consequent upon drastic interference with the working of the market economy.

Some hon. Members: Explain.

Mr. Mahoney: Increased spending programs proposed by the NDP for social assistance, social capital and economic development would, of course, run into billions of dollars. Apart from the abolition of the sales tax, the NDP never suggested general tax reductions prior to the budget, although urging a host of spending programs on the government. Since the budget, though, the NDP have been outbidding the Conservatives in proposing tax cuts. Their deputy leader contended that personal income tax should be reduced by 10 per cent to 15 per cent—

Mr. Nystrom: Except yours.

Mr. Mahoney: —which would cost federal and provincial governments between $1.1 billion and $1.7 billion in lost revenue in addition to a proportionate reduction in equalization grants to the provinces. Again, the abolition of the sales tax on building materials, which was also recommended, would cost the treasury a further $360 million. If we take the figure of 15 per cent which the hon. member for York South (Mr. Lewis) suggested, the tax reduction would amount to more than $2 billion.

Mr. Nystrom: Hurrah!

Mr. Mahoney: For his part, the hon. member for Waterloo (Mr. Saltsman) proposed to increase the exemption for single people to $2,000 and the exemption for married people to $4,000. This would cost the federal treasury around $1,750 million and the provinces a further $500 million, based on 1969 tax receipts. He also suggested, though he was far from specific about it, that tax relief should be provided for those in the middle-income bracket. This concern for people in the middle-income bracket on the part of the hon. member for Waterloo is novel, especially to hon. members who had the pleasure of sitting with him on the finance committee during the past year while the white paper on tax reform was under consideration. As I say, the hon. member did not tell us what reduction or rate changes he had in mind for people in the middle-income group, so it is impossible to assess the cost which would be involved in his proposal.

It is difficult to know where one stands in connection with this general recommendation to alleviate the plight of people in the middle-income group. In addition, we lack a definition of "middle-income group", something which the hon. member was most assiduous in trying to dig out when various witnesses appeared before the finance committee last year. Perhaps he will take an opportunity to make his views on this matter clear at an early date. The hon. member also suggested that the budget was economic lunacy. This would have to be taken as something of an expert opinion and contrasted with the position advocated by the NDP, which would truly be the action of a government gone mad.

The government has proposed a series of measures since the last budget, the cumulative effect of which has been strongly expansionist. The government could have chosen to cut taxes instead of directing spending into areas of slow growth and high unemployment. The greatest advantage would then have gone to areas of the country already prosperous and with considerably lower unemployment. The benefit to slow-growth areas would have trickled down only partially and slowly. The approach of the government is in line with the course advocated by the OECD in its report last month to ministers on the Economic Policy Committee, namely:

> In cases where unemployment is rising toward unacceptable levels, attention should be directed to the possibility of selective action directed to areas of high unemployment, rather than indiscriminate increases in public expenditures or general tax cuts.

As the Minister of Finance (Mr. Benson) made clear in the budget, there are real limits as to how far the government can go in adopting expansionary policies without creating an excessive risk of new inflation. One of the lessons learned from the sixties was that it is danger-

ous to expand the money supply in order to finance massive government deficits, setting the stage for a new round of inflation. Yet this is the advice the opposition gives us. This point, again, is underlined by the Economic Council in its recent report, "Performance and Potential".

> Monetary policy (together with fiscal policy with which it is closely interrelated) should evolve in a way that seeks to avoid large destabilizing swings in the growth of the money supply. There are long lags between changes in policy and their effects on the economy...For the creation of a stable environment for growth, we therefore consider it essential that the growth of the money supply over the longer term should be approximately in line with the underlying growth rate of potential output, with smaller swings around the rate of increase in potential output than have characterized past policy.

Some hon. Members: Explain.

Mr. Mahoney: The hon. member for Edmonton West took specific issue with the proposal in the budget concerning investment incentive credit. He said it would have only a slow effect in spurring capital investment due to the length of time required to make expenditures. Indications of investment spending intentions show that there is a large carryover of capital programs already planned by the big-business sector and ready to roll once conditions are considered appropriate. These were deferred during 1970 because of market conditions and the expectation of a fall in interest rates. The effect of the increased capital cost allowance will be similar to that of a reduction in borrowing costs and it is expected it will produce a quick reaction.

We have been treated to a very similar response on the part of both the official opposition and the New Democratic Party. Their leaders are anxious to spend more money and to take in less by way of taxes, to provide greater incentives, increased social programs, increased expenditure on public works, extended and expanded assistance programs, all on the basis of decreased revenues and, evidently, without significant borrowing so as not to exert inflationary pressure on capital markets. This game of leapfrog, this game of bribing taxpayers with their own money, is far more typical of an era of minority government, of insecure government with the opposition tasting the prospect of office. Perhaps what we are looking at today is the phenomenon of minority opposition—an insecure official opposition and a New Democratic Party tasting office and hoping to convert ineffective opposition into official opposition.

• (9:20 p.m.)

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, when I was preparing my notes for today's debate I made a special effort to avoid areas of sensitivity for the present government. I did this out of a sense of compassion. I really do not want to embarrass the government or any of the puppets of the Prime Minister (Mr. Trudeau). Every day that passes must surely be embarrassment enough in itself when you consider that we end up with more problems and fewer solutions than we had the day before.

Canada is plagued by many corporate ills at the present time. Chief and most injurious of these to her progress are the following. First, a Liberal government and a Liberal syndrome of permissiveness, contempt of the law, corruption and waste in administration, and even contempt of Parliament. The latest example of this was the government's efforts to downgrade and make less effective the Auditor General's department. Second, there is a mounting national debt too great for the taxpayers to handle. Cost of servicing this debt alone amounts to $1,704 million a year. I obtained that figure this evening and I believe it is correct.

Third, we have an overstaffed and economically unproductive, and in some respects empirical civil service, in number and cost out of proportion to the needs of the country. Fourth, we have an extravagant and wasteful annual budget running currently at $14 billion, the source of which is inexorably being levied from fewer and fewer taxpayers in the middle-income class who at the same time are being deprived of family benefits and allowances.

However, there is nothing that one can say about the way this country is being run without causing great embarrassment to that army of experts on the front benches opposite. They must surely be experts, because this government and the Cabinet that is composed mainly of former civil servants can turn out more white papers on more subjects than any other government has since this country was founded. But apparently the brand of expertise available to the Prime Minister is not equal to the problems that beg solution. We on this side of the House, indeed millions of Canadians from coast to coast, would gladly trade all of this questionable expertise across the floor of this House for just a little bit of applied common sense.

The budget that the government tabled last week is a good case in point, Mr. Speaker. Our jovial finance minister has stated that there are solutions in the budget to a wide range of serious problems, though so far no one has been able to point them out. One day last week the hon. member for Prince Edward-Hastings (Mr. Hees) suggested that the finance minister was the Charlie McCarthy of the chartered banks. I have to disagree with that analogy, though I can certainly go along with the sense of the hon. member's statement. Charlie McCarthy had real talent. McCarthy could fool all of the people all of the time and make them like it. Our finance minister cannot fool any of the people any of the time, especially from now on, and he certainly cannot make anybody like what he is doing. This budget is not recognized as such by many people. Indeed, one Liberal today called it simply a financial report.

Whatever the present government tackles, we end up with another little island of chaos. The fear is spreading across the country that these islands will all come together and we will have general chaos. However, Canada is resilient, and so are Canadians, and I firmly believe that the next general election will remove this treat to our economy and way of life.

There is one thing that can be said to the credit of the present government, and that is that it is consistent. This government can be counted upon to do some things as regularly as clockwork, and for this it deserves full marks. Here again I point to the budget that we are presently debating, in which the finance minister showed consistency. He tabled a budget when there was no demonstrable need for a budget at this time. That is why my Liberal friend called it a report. There was and is enabling legislation whereby, the minister could have accomplished any of the measures proposed in this budget that might be considered worth while. Yet apparently the minister was unaware that he had that authority, and so once again he was consistent. This is a nothing budget, and we have seen a succession of nothing budgets from the present government. I did not want to miss this opportunity to give credit where credit is due.

There is another area wherein this government is consistent and shows evidence of real finesse. The present administration has to be considered the all-time champion in the game of sloganeering. First we had the just society. This was laughed out of existence, and personally I was disappointed. I very much wanted the Prime Minister to create this just society because there were many adjustments to be made to our system. I wanted him to elevate all of us to a little higher plane of existence. I hated to see that one go by the board.

Then in the Speech from the Throne we were told that we were on the threshold of greatness. I really got caught up on this one. The idea that somehow we could achieve greatness in spite of the bungling and ineptitude displayed on the other side of the House was an intriguing one. However, my hopes were dashed again when the Leader of the Opposition (Mr. Stanfield) exposed that particular slogan. Our leader reasoned that the Prime Minister was referring to the Conservative victory at the next general election, so I find I will have to wait a couple of years before I can achieve a share of this greatness.

However, Mr. Speaker, I really do not mind the wait, because every day that passes finds more and more Canadians wondering how this government, with one of the best mandates in the history of Canada and with the largest budget in our history, totalling $14 billion, manages to provide so little for Canadians. But this is the day of reckoning, the day that the government hoped would not come. The government has called the tune and has danced; it will now have to pay the fiddler. But that is not all. The slogans are still coming and they get better all the time. We now have the Prime Minister caricatured as Robin Hood riding through the country robbing the rich and giving to the poor. Robin Hood rides straight out of the finance minister's budget, and this is very fitting. If there were not so many people across this country in dire need at the present time, this would be the funniest slogan to come out of the government's slogan department in a long time. But it is not funny, Mr. Speaker.

There always seems to be a key phrase in every document that this government tables that points straight to the fallacies that are inherent in all of them, and this so-called budget is no exception. We are told that there are many rich people in Canada. In fact, everyone in this country who makes $10,000 or more must now consider himself to be rich. He must wait for Robin Hood to pay him a visit and then he must pay up—again, again and again. There appears to be no end to the price one must pay in this country for the "sin" of being self-supporting. There is no end to the penalties one must pay in this country for the "sin" of being enterprising and for displaying initiative.

• (9:30 p.m.)

A few days ago I asked a question in this House about the government's policy of permissiveness with regard to allowing Cuban embassy and consular officials to openly support extremist and revolutionary groups and activities in Canada. This question may be found at page 1716 of *Hansard* for December 3. I found out shortly afterwards that there is general concern throughout our country over this apparent disregard for threats against our social and political systems. However, the Minister of Manpower and Immigration (Mr. Lang) answered in general terms about the present regulations being sufficient to screen persons coming to Canada to visit or to settle. He avoided the purport of my question and he had good reason to avoid it. The relations that exist between the revolutionary Cubans and other elements in our country made it possible for the government to get the kidnappers of James Cross out of the country in a matter of hours. It appears that all of them will be allowed to keep their Canadian citizenship. This attitude bears looking into.

There is evidence that this government is exhibiting a lack of leadership and concern with regard to safeguarding Canadian life, property and traditionally Canadian institutions. In addition to the unrestrained efforts of Cuban diplomatic officials to finance and train terrorists in Canada, the present government flatly refuses to use the powers inherent in the Immigration Act to prevent people like Abbie Hoffman, William Kunstler, the Black Panthers and others coming to Canada to spread their poison and treason throughout our country. In a recent issue of the *Globe and Mail*, MacKenzie Porter quoted from a speech by Dr. Roger Gaudry, rector of the University of Montreal. I think this quotation should be recorded in *Hansard*. It reads as follows:

> Ideological chapels have grown up in our universities so that a young professor who wished in certain cases to defend the position of a government that was not left wing, or to defend a position that is not left wing, would be quickly put down by his colleagues.

Dr. Gaudry in his speech was emphasizing the great danger we face today from the direction of our universities, the very institutions we should look to for intellectual defence of our system, particularly because of the influence of left wing faculty members. These people, these leftists, are getting a lot of direct and indirect support. The taxpayers' money is going to the Company

of Young Canadians in spite of clear evidence before committee hearings that CYC personnel in Quebec have been giving support to the FLQ. When the committee hearings were in progress in the fall of 1969, the government said the FLQ was not a threat and that there was no reason to inhibit the CYC on those grounds. Scarcely one year later the Prime Minister implied that the FLQ was about to take over the province of Quebec and possibly the entire country, and it was necessary therefore to invoke the War Measures Act.

I pointed out earlier that the present government is often inconsistent, at least in certain areas. I should also point out that it can also be inconsistent in other areas, and it is the government's inconsistencies that pose the greatest danger. I could also mention the thousands of draft-dodgers, deserters and other weirdos the government encourages to come to Canada to swell the ranks of revolutionaries and also the ranks of the unemployed. But such warnings would only fall on deaf ears, ears that will not hear, eyes that will not see and minds that will not reason. What we are witnessing is a tragic comedy; the tragedy of dissipating God-given resources, both natural and human, and the plundering of willing minds.

But all is not lost. We have the blundering of the government to lighten our hours in the conviction that we have only a couple of years to go before the voters indicate that blundering has proven too costly to tolerate and that the Liberal syndrome and the fallacy and myth of "Trudeaucratic" charisma does nothing for Canada's ills.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in the few minutes remaining before the vote, I should like to make a few remarks on the speech made by the Minister of Finance (Mr. Benson) when he brought down the budget on December 3rd.

It will be remembered that last year the Prime Minister (Mr. Trudeau) asked the Canadians to tighten up their belts in the fight against inflation, and that in a subsequent speech, the Minister of Finance (Mr. Benson) told them: Work more, increase productivity, to fight inflation. The Prime Minister said: Do without; while the Minister of Finance said: Work hard.

I remember that, at the time, we had said that the means suggested to overcome inflation would probably result in increased unemployment in Canada, mostly in underdevelopped areas. Our predictions unfortunately came true since, according to the December 1st edition of *La Presse,* more than 10,000 Quebecers lost their job in 1970.

For instance, the Canadian Marconi Company has fired 800 people since the beginning of the year and expects to fire 700 more before the end of the year.

At Les Industries Valcartier in the Quebec City area, a subsidiary of the General Investment Corporation, the layoff of 500 to 1,000 workers is anticipated before the end of the year.

The Northern Electric Company has dismissed 200 of its employees and expects further layoffs.

On the other hand, the United Aircraft Company which had a staff of more than 5,400 employees had only 4,500 as of December 1.

The same applies to the Wabasso Company in Drummondville which has apparently dismissed from 500 to 600 employees during 1970.

Going down the list, we would note that dismissals affect 500, 600 or 1,000 employees at the same time.

In his budget speech, the Minister of Finance stated that most economic indicators showed improving trends in the Canadian economy, an increase in employment, a decrease in unemployment and a recovery in the production of goods and services.

Mr. Speaker, if this inquiry had been made more seriously in sectors others than the manufacturing or industrial sector, we would have indeed found out that the number of unemployed has risen significantly, because a great number of farmers including those involved in the production of industrial milk have ceased producing because of the dairy policy of this government which does not allow the smaller farmers to operate their business and stay on the labour market.

Mr. Speaker, if we give the situation a closer look, we realize that a certain number of young people who are just out of school will soon be on the labour market. Although they have no particular experience, they no longer belong to the student population. Therefore they cannot claim any unemployment insurance benefits or obtain any other form of aid to the unemployed.

Thousands of these students are willing to work, but their names are not on the list of the 10,000 people who have lost their jobs in Quebec. They represent however a number of workers important enough to deserve consideration.

The policy outlined by the government in the budget speech will not be enough, in my opinion, to stop inflation and reduce unemployment, especially in eastern Quebec where conditions are alarmingly bad.

For instance, at Sainte-Anne-de-la-Pocatière, a snowmobile factory employing a certain number of workers has laid off over 250 of them in the last two weeks. Those workers will be unemployed for an indefinite period of time, because the factory owners are unable to sell their snowmobiles fast enough. Warehouses are full and that was the reason for the employer's decision.

In order to get the economy moving again, the government should have proposed a tax reduction and primarily the removal of the tax on building materials. In the field of construction, the situation is none too good as this tax on building materials contributes to the increased cost of houses, and this coupled with the high rate of interest, prevents promoters from building houses and renting them at prices suitable to workers.

Mr. Speaker, I see you looking at the clock. I must resume my seat as it is 9.45 and the House has to vote on the sub-amendment.

Division

• (9:40 p.m.)

[*English*]

Mr. Deputy Speaker: Order. It being 9.45 p.m., it is my duty, pursuant to section 6 of Standing Order 60, to interrupt these proceedings and forthwith put the question on the subamendment now before the House. Is it the pleasure of the House to adopt the said sub-amendment? All those in favour of the subamendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

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

YEAS

Messrs:

Alkenbrack
Baldwin
Barnett
Beaudoin
Bell
Benjamin
Bigg
Broadbent
Burton
Cadieu
Carter
Comeau
Crouse
Dionne
Douglas (Nanaimo-Cowichan-The Islands)
Downey
Flemming
Forrestall
Gauthier
Gilbert
Gleave
Godin
Grills
Hales
Harding
Harkness
Hees
Howe
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Bellechasse)
La Salle
Lundrigan
MacEwan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
McCleave
McCutcheon
McGrath
McIntosh
McKinley
Marshall
Mather
Matte
Monteith
Muir
Murta
Nesbitt
Nystrom
Paproski
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rose
Saltsman
Scott
Simpson
Skoberg
Southam
Stanfield
Stewart (Marquette)
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Woolliams
Yewchuk—71

NAYS

Messrs:

Anderson
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blouin
Borrie
Boulanger
Brown
Caccia
Cafik
Cantin
Chappell
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Cyr
Danson
Davis
Deachman
Deakon
De Bané
Douglas (Assiniboia)
Drury
Dupras
Émard
Éthier
Forest
Forget
Foster
Francis
Gendron
Gervais
Gillespie
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jerome
Kaplan
Laflamme
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (Lac-Saint-Jean)
Lind
Loiselle
MacEachen
Mackasey
McNulty
Mahoney
Major
Marchand (Langelier)
Munro
Murphy
Noël
O'Connell
Otto
Pelletier
Pepin
Perrault
Portelance
Pringle
Richard
Richardson
Roberts
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Serré
Sharp
Smerchanski
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whicher
Whiting
Yanakis—112

• (10:00 p.m.)

Mr. Speaker: I declare the amendment lost. It being after ten o'clock, this House stands adjourned until two o'clock tomorrow afternoon.

At 10.09 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, December 9, 1970

The House met at 2 p.m.

[*Translation*]

ROUTINE PROCEEDINGS

MISCELLANEOUS ESTIMATES

First and second reports of Standing Committee on Miscellaneous Estimates, in both official languages—Mr. Leblanc (Laurier).

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

* * *

[*English*]

EXTERNAL AFFAIRS

REPORT BY MINISTER ON VISIT TO EUROPE

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have just returned from a round of important discussions in Europe. These included talks with government leaders in Britain, Belgium and The Netherlands, with senior officers of the European Economic Community and participation in the December NATO ministerial meeting. I took advantage of the NATO meeting to have a further talk with Mr. Schumann, the French Foreign Minister.

On this occasion I should like to report to the House particularly on western Europe, where events are moving so rapidly.

The six nations that today make up the Common Market are expected soon to be joined by another four. Varying forms of association will bind other European countries to the Community. Preferential arrangements have been and will be made for a number of Mediterranean countries and some developing countries in Africa.

The mood in Europe is one of buoyancy and confidence. The horizons of the Common Market are broadening at a time when the will to bring about a deepening of the relationships within it is increasing.

The government has been following these developments with the closest attention for some time. The Minister of Industry, Trade and Commerce has recently tabled in the House a paper outlining their implications for Canada in the light of his own findings in European capitals. I made it the main purpose of my bilateral talks with the governments I visited and with the Community to emphasize certain concerns that Canada has in the face of these developments. My first concern was with the disruption and shifts in Canada's trading patterns which would necessarily arise from Britain joining the Common Market. The second was to make the Community and individual members aware that Canada intends to take increasing advantage of the enlarged EEC as a major market not only for our raw and semi-processed materials but for the finished products of our secondary industries. My third purpose was to impress upon those I visited the political as well as economic dangers inherent in any tendency toward trade polarization between the United States and the European Community.

• (2:10 p.m.)

It will be recalled that the formation of the European Economic Community was accomplished by the negotiation of the Kennedy Round. At that time Europe and the world moved together in harmony in what was a most impressive advance toward freer trade. Today there is little evidence of this kind of harmonious relationship, indeed quite the contrary.

My discussions in Europe came as a logical consequence to the meetings we had in Ottawa two weeks ago with the senior members of the American administration, led by Secretary Rogers. The same points were made to the United States representatives here in Ottawa, to the British government in London and to those I met on the continent.

The timing of my visit to Europe was determined by the NATO December ministerial meeting. In the course of my statement there, I said that the developments in the last year suggest that we may have reached a turning point in east-west relationships in Europe. The sterile confrontation that has characterized these relationships since the end of the second world war is beginning to give way to a real effort to solve many of the intractable problems presented by the division of Europe. Interlocking negotiations with the Soviet Union are taking place on a broad front.

There can be no doubt that the conclusion of the treaties between the Federal Republic of Germany and the Soviet Union and Poland constitute progress. These are historic developments that could make a major contribution to a healthier situation in central Europe. The resumption of intra-German talks is another encouraging move even though these talks are beset with difficulties. The question remains, however, whether the Moscow and Warsaw treaties—as yet unratified—in themselves constitute sufficient progress to justify moving toward a general conference on European security in which Canada would be involved.

There was virtually unanimous agreement that the progress to date was insufficient, largely because no satisfactory arrangement for Berlin has yet been reached. Canada concurred in this view but in my intervention I suggested the Alliance should not be negative about the conference idea. I proposed that in our communiqué we note the useful negotiations currently under way, indicate our satisfaction that some progress had been

achieved and express the hope for further progress in the near future.

You will note that in the communiqué, which I shall table at the end of my statement, Mr. Speaker, the member governments confirmed their readiness, as soon as talks on Berlin had reached a satisfactory conclusion and in so far as other ongoing talks were proceeding satisfactorily, to enter into multilateral talks to explore when it would be possible to convene a conference or series of conferences on security and co-operation in Europe.

The question of mutual and balanced force reductions is one NATO has been pursuing actively in recent years and is of particular concern to Canada. In Brussels the NATO ministers renewed their earlier invitation to interested states to hold exploratory talks on the possibility of negotiations on force reductions and indicated a readiness within this framework to examine different aspects of the question, including the idea of foreign force reductions which was publicly advanced by the Warsaw Pact countries last summer.

In the course of the foreign ministers' meeting, I expressed Canada's satisfaction with the results of the recent NATO sponsored colloquium on oil spills, which recommended that the governments should work through IMCO to eliminate by 1975, if possible, all intentional discharges of oil in the sea as well as to minimize accidental spills. This could be a breakthrough in one area of maritime pollution, particularly since the undertaking involves countries representing a high proportion of the world's oil carriers. It is an excellent example of NATO's ability to contribute in a practical way to the solution of problems of current concern to its members.

On the defence side, the decisions taken helped to place the respective roles of North America and Europe within the Alliance on a more equitable basis and to ensure that in the period of negotiation ahead the Alliance will be able to proceed with confidence.

Turning to my bilateral discussions with European leaders, I was struck by their determination to make progress toward integration. I have already spoken about enlargement. Discussions are taking place about an economic and monetary union and, perhaps more remotely, a common foreign policy. These internal preoccupations have overshadowed the problems enlargement presents to third countries and for multilateral trading arrangements.

I sensed, however, a growing recognition of the wider responsibilities that an enlarged Community must shoulder, resulting from its sheer size and wealth as the world's largest trading unit. I found as well an awareness of the dangerous deterioration in international trading relations which would arise from a confrontation between a protectionist United States and a Europe bent on consolidating its own economic progress.

In my discussions I expressed the positive Canadian view of the movement toward greater European unity, while stressing that EEC enlargement should not and need not be brought about at the expense of third countries like Canada. I impressed upon my European colleagues the need for a renewed dialogue between the Community and North America to avert the very real danger of trade confrontation apprehended by qualified observers on both sides of the Atlantic. In this connection, I am encouraged by the fact that Signor Malfatti, President of the European Economic Community, has accepted my invitation to come to Canada next spring.

At the NATO meeting I called attention to the impact of such a confrontation on the solidarity of the Alliance and suggested that NATO governments should be thinking of how best they could contribute to the continuing dialogue needed to avert the dangers foreseen.

While in Europe, as hon. members may recall, I had the unexpected pleasure and privilege of welcoming Mr. James Cross back to England in good health and spirits. I am sure that all members of this House would gladly have shared this privilege with me.

Some hon. Members: Hear, hear!

Mr. Heath Macquarrie (Hillsborough): On a procedural point, Mr. Speaker, I am always surprised when ministerial statements arrive in opposition offices so late in the day. I am troubled because I cannot believe ministers are so ill organized that these statements are not ready, or that they would want to make it difficult for the opposition. Therefore I think this is a matter which must be turned over to Information Canada.

I should like to welcome the minister back; we are always glad to have him back. As I read his statement I thought that perhaps it was obvious that the Minister of Industry, Trade and Commerce (Mr. Pepin) had been there ahead of him, and if there is to be a marriage of these departments I fear the minister will not be the senior partner.

I note, too, that he had an extra talk with the French Foreign Minister. I remember the days when this would indeed be news.

I quite agree that events in Europe are moving rapidly, as the minister states. This is still a dynamic and important area of the world which must not be, as I fear at times it has been, downgraded by this government. I favour, as the minister does, the enlargement and the rapidly accelerated moves toward integration of that very important part of the world. I think the European leaders and people are moving forward with imagination and vigour, and I think that Canadians can do nothing but salute them for their forwardness.

I note, too, that the minister found in Europe buoyancy and confidence. I wish he could have reported the same about Canada. I wish we did not have such problems as unemployment and a sluggish economy to dampen our own desire for the buoyancy which every forward-looking country should have.

Some hon. Members: Hear, hear!

Mr. Macquarrie: I note that the minister says Canada is and has been for some time following the developments in Europe with the closest of attention. I submit

we have not been following them with sufficient closeness of attention, and that this is part of our problem. European developments have overtaken our concern, interest and awareness and it is only belatedly that the minister and his colleague, the Minister of Industry, Trade and Commerce, have rushed in to make a late assessment of what is going on. We have been far too late in showing sufficient attention to this tremendously important development on the world scene. I believe many in Europe in the chanceries of power and those whom they govern have been wondering in recent months if Canada's seeming playing down of its military and political interest in Europe was being accompanied by a downgrading of its concern for economic developments in Europe. Of course the minister is right in pointing out, as he says he did, the dangers of trade polarization, and it is high time that we became concerned and awakened to the dangers of this situation.

• (2:20 p.m.)

I read with interest the minister's statement on developments in respect of intra-German affairs and relations and developments between the Federal German Republic and Poland and the Soviet Union. I agree with him that for too long there has been in Europe a sterile confrontation on these very important matters. The world and certainly the German people have too long rested with a situation which surely was but an ad hoc arrangement after the end of a war.

While I welcome the events, the talks between Warsaw and Bonn and between Moscow and Bonn, I think we still have to look with clarity and concern at the situation in Berlin which I believe remains today, as it has stood for many years, one of the focal points of all the tension confrontations in the world in so far as diplomatic, political and military concerns may be appraised. We dare not forget Berlin. It is still an area of vital concern, still an area of potential danger, and the dangers are of explosive capacities. I notice that the minister, it seemed to me, gave a little lecture to some of the Europeans that they should not be too negative about the prospects of conciliation. I ask myself, does distance enhance our capacity for self-righteousness in these matters?

With the minister's reference to the colloquium on oil spills I find no fault. I go along with him completely and slide into agreement with him on that.

I notice there is no word in this document about Greece and nary a mention of Portugal. I wonder. Another problem which surely should concern NATO and Canada as a member of NATO is Cyprus, and there is not a word about that. For how many years do the United Nations and the world plan merely to retain the status quo in Cyprus? When are we to move toward mediation of that problem? Is it to be forever a military holding operation?

Finally, Mr. Speaker, because I respect the tradition that these statements be brief and because I did not have a copy of the minister's statement until a minute or two ago, I will close my remarks by echoing with sincerity and heartiness the minister's reference to Mr. James Cross whose courage, whose dignity and, indeed, whose charm under tremendous stress and strain have earned for him the eternal respect and affection of all the people of this country.

Some hon. Members: Hear, hear!

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the hon. member for Hillsborough (Mr. Macquarrie) seemed to be unhappy about having received a copy of the minister's statement somewhat late. I can tell him he is lucky that it was not sent to him by mail.

I welcome the Secretary of State for External Affairs (Mr. Sharp) back to the House; we always miss him when he is away. His statement to the House deals mainly with two matters, the first of which concerns the problems that arise out of the enlargement of the European Economic Community. I must say that his statement does not give us very much information. This government has been completely ignoring for the last eight or nine years the fact that Great Britain and the other members of EFTA were moving steadily toward some relationship with the European Common Market, either as full-fledged members or as associate members. It is only in recent months that the government has become aware of what this could do to Canadian trade, particularly to Canadian agriculture.

When we recognize that side by side with the enlargement of the European Economic Community we now have a very strong protectionist element gaining control in the United States, we see the distinct possibility that Canada could become completely isolated or absorbed into the United States economy. At the present time the U.S. Congress is concerned with the trade act which would put very heavy tariffs against the import of certain commodities and which contains a trigger clause that would allow the President to apply additional tariffs at any time. The United States Congress is now discussing the setting up of a corporation which would rebate to companies exporting goods all the taxes they have paid, thus subsidizing the export of goods. This, of course, would make it quite possible for the Americans to enjoy a very advantageous competitive position in shipping into the Canadian market.

I hope we are going to have a definitive statement from the government fairly soon as to what position the government is going to take. It is all very well for the minister to come here and tell us, as he did today, that Canada intends to take increasing advantage of the enlarged EEC as a major market not only for our raw and semi-processed materials but also for the finished products of our secondary industries. But how?

Mr. Sharp: By selling.

Mr. Douglas (Nanaimo-Cowichan-The Islands): What position will the government take with reference to the quotas and the tariffs that will be imposed not only by the present European Common Market but those which will be applied if and when Great Britain and the other

members of EFTA are accepted into membership in the EEC?

The second matter which the minister has dealt with has to do with the NATO ministers' meeting in Brussels. Certainly no one will disagree with him when he talks about the sterile confrontation that has characterized east-west relationships, but I think there will be considerable disappointment when the minister tells us that the ministers' conference in Brussels threw cold water on the holding in the near future of a European security conference. The minister said:

> There was virtually unanimous agreement that the progress to date was insufficient, largely because no satisfactory arrangement for Berlin has yet been reached.

Certainly, there can be no doubt about the fact that the situation in Berlin is fundamental and that it is the key to some type of rapprochement in Europe. But surely this is part of a great many other tensions, and nothing could be lost by a European security conference at which Berlin and many other questions could be dealt with. Chancellor Willie Brandt of Germany is making valiant attempts to establish a détente with Poland, Czechoslovakia and the Soviet Union. It seems to me that this is the opportune time for a European conference in an attempt to bring the east-west confrontation to an end, or at least to ameliorate it to a very considerable extent.

• (2:30 p.m.)

The minister makes reference to the discussions on mutual and balanced force reductions as proposed by the Warsaw Pact countries. Again there is no explicit commitment to holding a conference on this matter. It seems to me that there has been a good deal of foot dragging, and the longer this is delayed the longer the tremendous burden of military commitments will fall upon the nations of the world. A world that is spending $200 billion a year on military commitments is a world that is not able to devote its resources to the needs of people.

May I say finally, Mr. Speaker, that the minister made no mention of any discussions with respect to Portugal. If the newspapers are correct the minister, along with the representatives from Norway and Denmark, took some exception to holding the next NATO ministers conference in Lisbon. If that is correct I want to commend him for it, but I would have hoped that the minister would raise the much more fundamental question of whether or not Portugal, which a task force of the United Nations has found to be guilty of using its military forces to commit acts of aggression against a free and independent country, ought to continue to be a member of an alliance which is supposedly dedicated to stopping aggression and preserving the democratic way of life.

I think the minister would have also helped a great deal if he had told the House what position Canada took with respect to continuing Greece's membership in NATO, a country which has now abolished almost all the democratic institutions upon which a free country depends. An hon. member says that we may not have many members left in the alliance. Mr. Speaker, the alliance was formed of free nations dedicated to the preservation of freedom. You cannot preserve freedom by destroying it in your own backyard.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, as is often the case, we regret that the minister's statement was provided at the last minute and, moreover, exclusively in English.

The apologies we got today are part of a practice which has been going on for years of considering as secondary the contribution of the French-speaking population. It is too easy to always apologize. When will the necessary measures be taken to instate real linguistic equality in this government administration?

To come back to the minister's statement, Mr. Speaker, we consider that any effort by Canada to promote international trade obviously deserves our support. However, we must point out that our country never suggests any innovation or takes initiatives in international organizations. This is perhaps due to the fact that we do not really make the necessary efforts to be truly original in the fields of trade and economy and as the Créditistes have been saying for a long time if Canada took some steps to establish the special kind of economy which they advocate, it would be sufficient to impress international opinion. We could perhaps succeed in establishing real exchanges which would give rise to more prosperity not only in Canada, but also in other countries.

The difficulties experienced in that field—as far as the Common Market is concerned for instance—would be lessened, if we would carry out a policy meant to put the economy at the service of all citizens, as it should be. Thus we would in a much more realistic way promote brotherhood throughout the world.

* * *

[*English*]

GOVERNMENT ORGANIZATION ACT, 1970

PROVISIONS RESPECTING DEPARTMENTAL REORGANIZATION, MINISTRIES OF STATE, PARLIAMENTARY SECRETARIES, ETC.

Right Hon. P. E. Trudeau (Prime Minister) moved for leave to introduce Bill C-207, respecting the organization of the Government of Canada and matters related or incidental thereto.

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

Mr. MacEachen: Mr. Speaker, I rise on a point of order that might assist the Table in the disposition of this bill. It has been agreed that the government organization bill to which we have given first reading be dealt with at the committee stage in the Committee of the Whole.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

CANADIAN WHEAT BOARD ACT

PROVISION OF SEPARATE ACCOUNTS FOR TYPES OF WHEAT

Mr. A. B. Douglas (Assiniboia) moved for leave to introduce Bill C-208, to amend the Canadian Wheat Board Act.

Some hon. Members: Explain.

Mr. Douglas: Mr. Speaker, the Canadian Wheat Board Act authorizes separate accounts or pools for wheat, oats and barley. However, there are four distinct types of western Canadian wheat, namely, hard red spring wheat, hard red winter wheat, soft white spring wheat and Durum wheat.

These four types of wheat are as different from each other as are oats and barley. Therefore it is in the interests of equity that the producers of these various types of wheat be dealt with separately, which is the purpose this bill is intended to achieve.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

HALIFAX, N.S.—FEDERAL BUILDING

Question No. 339—**Mr. Forrestall:**

1. Were tenders called for the work being carried out on the main doors to the Post Office in the Federal Building in Halifax and, if so, when and what were the amounts?
2. When did the work start?
3. What is the total cost of the work?
4. When will the job be completed?
5. What is the nature of the work?

Hon. Arthur Laing (Minister of Public Works): 1. Yes on February 26, 1970, for alterations to the main entrance of the Federal Building. The amounts of the tenders were: $16,750; $19,750; $21,760; $21,898; $22,485; $24,868.

2. April 20, 1970.

3. $17,500, which included some work additional to the original contract.

4. Before the end of the present calender year.

5. Answered by Part 1.

ADMINISTRATION OF UNEMPLOYMENT INSURANCE COMMISSION AND CANADIAN GOVERNMENT ANNUITIES BRANCH

Question No. 399—**Mr. Aiken:**

1. With regard to the joint administration of the Unemployment Insurance Commission and the Canadian Government Annuities Branch, do envelopes containing annuities, correspondence or annuities cheques bear the name of the Unemployment Insurance Commission on the outside and, if so, what is the reason for making it appear that those who have voluntarily provided for their retirement years by contributions are receiving or involved in the receipt of Unemployment Insurance?

2. When the present stock of stationery is depleted, does the government intend to use envelopes and correspondence paper bearing only the name of the Canadian Government Annuities Branch?

3. Are funds held to the credit of the Annuities Branch available for payment of Unemployment Insurance?

4. Have any funds been loaned, credited or otherwise transferred from the Annuities Branch to the Unemployment Insurance Fund since the two funds have been jointly administered?

5. Is there any fusion of the records of the Unemployment Insurance Commission and the Annuities Branch, with relation to identification numbers, recording of receipts and payments out or any similar joint administration?

Hon. Bryce Mackasey (Minister of Labour): 1. Yes. Annuity cheques are sent out in envelopes bearing the following inscription in both official languages: "Unemployment Insurance Commission Annuities Branch". This is in accordance with the custom of indicating the departmental agency on government envelopes, although in this case the particular service, namely, Annuities Branch, is also included so that it will be clear that the payment or correspondence relates to government annuities.

2. No.

3. No.

4. No.

5. No.

HILLSBOROUGH CONSTITUENCY—HARBOUR IMPROVEMENTS

Question No. 400—**Mr. Macquarrie:**

1. In 1970, what improvements were made in the wharf facilities at the Covehead Harbour and what was the total cost of these improvements?

2. What other harbour improvements in the constituency of Hillsborough have been made in the same period?

3. What further improvements are planned for these harbours?

Hon. Arthur Laing (Minister of Public Works): 1. Paving, $6,424.68; dredging, $3,249.

2. Stanhope—Provision of small boat launchway, $2,875.

3. No further improvements are planned at the present time.

"ATLANTIC MANPOWER REVUE" PUBLICATION

Question No. 407—**Mr. Crossman:**

1. What is the cost of publication of "Atlantic Manpower Revue" published by the Department of Manpower and Immigration?

2. How many copies are (a) published (b) distributed?

3. How many copies are distributed (a) in each of the four Atlantic Provinces (b) elsewhere?

4. How many full-time employees work at the editing and the distribution of this revue?

Questions

5. How long has this publication been bilingual?

6. When was it first published?

7. Has the Department received complaints concerning the publication itself or its contents and, if so, how many?

Hon. Otto E. Lang (Minister of Manpower and Immigration): 1. Approximately $12,000 per annum.

2. (a) 2,100; (b) 1,803.

3. (a) Newfoundland and Labrador: 118; Prince Edward Island: 58; Nova Scotia: 493; New Brunswick: 456; (b) 678.

4. Three, each in addition to other duties.

5. The first bilingual issue was that of January-February 1970, however, separate French versions had been published previously.

6. June 1968.

7. No.

CANADIAN INVENTORY OF HISTORIC BUILDINGS

Question No. 454—**Mr. Orlikow:**

1. How many persons will be hired to undertake the survey of historic buildings recently announced by the Department of Indian Affairs and Northern Development?

2. How many will be hired in each province?

3. Is it the intention to hire persons through Canada Manpower Centers?

4. Is it the intention to hire persons who are unemployed?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. A total of 43 university students were employed between June and August, 1970 on the Canadian Inventory of Historic Buildings. At present 40 students are employed for the period between October 1970 and March 1971. It is expected that some 114 students will be hired for the summer of 1971. The hiring of students for this phase of the Inventory will continue to the early fall of 1972, by which time the requirement for their services will diminish sharply?

2. (a) For the summer of 1970 figures were as follows: British Columbia, 6; Alberta, 4; Saskatchewan, 3; Manitoba, 2; Ontario, 7; Quebec, 8; New Brunswick, 5; Nova Scotia, 5; Prince Edward Island, 1; Newfoundland 2. Total: 43.

(b) Those now employed for the October 1970-March 1971 originate as follows: British Columbia, 6; Alberta, 4; Saskatchewan, 2; Manitoba, 3; Ontario, 7; Quebec, 7; New Brunswick, 5; Nova Scotia, 4; Newfoundland, 2. Total: 40.

(c) For the summer of 1971: British Columbia, 9; Alberta, 7; Saskatchewan, 5; Manitoba, 5; Ontario, 13; Quebec, 52; New Brunswick, 7; Nova Scotia, 10; Prince Edward Island, 3; Newfoundland, 3. Total: 114.

3. Yes, using the liaison which the Manpower Centers have with university placement offices.

4. Yes.

[Mr. Crossman.]

NATIONAL PARKS—WATER QUALITY CHECKS

Question No. 487—**Mr. Aiken:**

1. Does the National and Historic Parks Branch of the Department of Indian Affairs and Northern Development maintain water quality checks on the waters within the national parks?

2. Do hotels in Banff National Park discharge raw sewage at any time of the year into Lake Louise and Moraine Lake and (a) if so, what action is being taken to eliminate the discharge of pollutants (b) if not, what was the source of pollutants found in these lakes during the summer of 1970?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Yes.

2. No. (a) Not applicable; (b) Fifty-nine streams and rivers were checked, 15 contained slight contamination and one heavy, this latter was posted. Wild animals are suspect as a contamination source. Louise Creek, outlet of Lake Louise suffered an oil spill from Chateau Lake Louise this past summer. A double trap system has been installed as a control measure. An old septic system and the Chateau Lake Louise Laundry are suspect as sewage and phosphate sources affecting Louise Creek. There is an algae which forms near the shoreline of Lake Louise during late summer. This algae turns brown and somewhat foul in time. An inadequate leaching pit of Moraine Lake Lodge caused pollution of Moraine Lake until September 1969. Two new leaching pits were installed in series. There was no observed pollution in 1970. There is a water bleeder pipe 1" in diameter near Moraine Lake boat dock. This has not been used for six years and will be removed this winter. The Moraine Lake campground septic disposal system was inoperative for several weeks this summer. It is possible that campers may have emptied chamber pots into Moraine Creek during this time. Also, a septic tank pumpout service vehicle was apprehended this summer for depositing sewage into a creek a mile from Moraine Lake.

QUESTIONS PASSED AS ORDERS FOR RETURNS

DOMESTIC SATELLITE SYSTEM

Question No. 159—**Mr. Macquarrie:**

1. What is the estimated launching date for the domestic satellite ANIK?

2. What is the estimated total cost of (a) construction of satellite (b) launching (c) construction of ground stations (d) other items essential to the provision of service as provided for in the legislation establishing Telesat Canada?

3. When is it intended to commence construction of ground receiving stations and, where are these to be located?

4. Will tenders be called and, if so, when and by whom?

5. What steps has the Government of Canada taken to obtain international agreement to obtaining a "parking space" for its domestic satellite?

6. What is the estimate of the Government of Canada as to time necessary to develop a system of direct broadcast satellites for the benefit of the people of Canada?

7. What is the projected cost to the Canadian Broadcasting Corporation for its role in domestic satellite system?

Return tabled.

• (2:40 p.m.)

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Notice of Motion for the Production of Papers No. 20 is acceptable to the government.

EVALUATION REPORT ON ACTIVITIES OF JOINT CONSULTATIVE COMMITTEE, MANITOBA ROLLING MILLS

Motion No. 20—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the study by H. C. Pentland, Winnipeg, undertaken for the Department of Manpower and Immigration regarding the "Evaluation report on the activities of the Joint Consultative Committee, Manitoba Rolling Mills, Selkirk, Manitoba".

Motion agreed to.

Mr. Jerome: Mr. Speaker, would you be so kind as to call notices of motions Nos. 31, 36, 38, 40, 50, 55, 56, 62, 64, 71, 72, 103, 104, 113 and 139.

ANALYSIS OF MANPOWER UTILIZATION OF THE MANITOBA GARMENT INDUSTRY

Motion No. 31—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the study by Summerour and Associates Inc., Atlanta, Georgia, undertaken for the Department of Manpower and Immigration regarding the "Analysis of the Manpower Utilization of the Manitoba Garment Industry".

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move this motion on behalf of the hon. member.

Mr. Chas. L. Caccia (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, this motion calls for the production of a confidential report prepared by a firm of private consultants under contract to the department and a number of other sponsoring organizations, on the understanding that it would be available only to the sponsors. Because of this understanding, Mr. Speaker, I would ask the hon. member to withdraw his motion.

Mr. Knowles (Winnipeg North Centre): Transfer for debate.

Mr. Speaker: Transferred for debate.

STUDY BY REGINALD J. ROY REGARDING THE ANALYSIS OF OPERATIONAL REPORTS AND COURSES FOR THE OCCUPATIONAL TRAINING OF ADULTS PROGRAM

Motion No. 36—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the study by Reginald J. Roy, Montreal, undertaken for the Department of Manpower and Immigration regarding the "Analysis of operational reports and courses for the Occupational Training of Adults Program".

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move this motion on behalf of the hon. member.

[*Translation*]

Mr. Chas. L. Caccia (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, Mr. Réginald Roy was employed on a contract basis by the Department to conduct an analysis of contractual arrangements between the provinces and the department under the Occupational Training of Adults Program. The progress reports prepared were for the internal use of officials of the department and as such are considered confidential and cannot be tabled. In the circumstances, I would ask the hon. member to withdraw his motion.

[*English*]

Mr. Knowles (Winnipeg North Centre): Question.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

STUDY BY F. J. TOMLINSON REGARDING ANALYSIS OF COST ESTIMATES ON PROJECTS

Motion No. 38—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the study by F. J. Tomlinson, Ottawa, undertaken for the Department of Manpower and Immigration regarding the "Analysis of cost estimates on projects".

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move this motion on behalf of the hon. member.

Mr. Chas. L. Caccia (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, Mr. Tomlinson was engaged as a consultant to provide specifications and programming services for computer work being carried out in the department. There was no written report produced which could be tabled as such. In the circumstances, the member may wish to withdraw his motion.

Mr. Knowles (Winnipeg North Centre): Agreed.

Order discharged and motion withdrawn.

STUDY BY DAVID WILLIAMSON FOR DEPARTMENT OF MANPOWER AND IMMIGRATION

Motion No. 40—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the study by David Williamson, Ottawa, undertaken for the Department of Manpower and Immigration regarding the "Analysis to determine skill digit levels for all of the occupations listed in the Occupational Demand Guide".

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move this motion on behalf of the hon. member.

[*Translation*]

Mr. Chas. L. Caccia (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, Mr.

David Williamson was employed on a contract basis in the summer of 1969 to assist in assessing the skill ratings of occupations classified in the Occupational and Area Demand Report. His material formed part of the work of the department and as such is for their exclusive use. I would therefore ask the hon. member to withdraw his motion.

[*English*]

Mr. Knowles (Winnipeg North Centre): Question.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

WHEAT CONTRACT BETWEEN CANADA AND THE USSR, JUNE 20, 1966

Motion No. 50—**Mr. Gleave:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the wheat contract between the Government of Canada and the Government of the USSR signed on June 20, 1966, on the sale of 336 million bushels of Canadian wheat to the USSR.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, it is not the practice of the government or the Canadian Wheat Board to make public wheat sales contracts as such information might be prejudicial to the board's marketing operations. In view of this the minister responsible for the Canadian Wheat Board would ask the hon. member if he would not reconsider and withdraw his motion.

Mr. Gleave: Question.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

STUDENT SUMMER EMPLOYMENT

Motion No. 55—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the plan of the special task force to study the question of summer jobs for students as stated by the Minister of Manpower and Immigration in his address to the Canadian Vocational Association on May 23, 1969.

[*Translation*]

Mr. Chas. L. Caccia (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the documents called for in this motion are internal working papers used by departmental officials to formulate the student summer employment program for 1969. As such they are considered confidential.

In view of this, I would ask the hon. member to withdraw his motion.

[*English*]

Mr. Broadbent: Transfer for debate.

Mr. Speaker: Transferred for debate.

[Mr. Caccia.]

STUDY OF INDUSTRY, TRADE AND COMMERCE TRADE PROMOTION POLICIES

Motion No. 56—**Mr. Broadbent:**

That an Order of the House do issue for a copy of the study on the Department of Industry Trade and Commerce trade promotion policies showing a 12:1 cost-sales ratio as stated by Mr. P. Schutte, Chief of the Trade Fairs Abroad Division of the Department.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the particular promotion program referred to has been completed since the date of the member's last inquiry and the Minister of Industry, Trade and Commerce feels he can now table a detailed statistical summary on the ratio requested without prejudicing commercial interests in the market. The summary will still not, of course, reveal names of individual company participants. If this is acceptable to the member, I shall be pleased to table the document.

Mr. Broadbent: That is a very unusual and acceptable statement, Mr. Speaker.

Mr. Speaker: Subject to the reservations and conditions expressed by the Parliamentary Secretary, is it the pleasure of the House that notice of motion No. 56 be deemed to have been adopted?

Some hon. Members: Agreed.

Motion agreed to.

CONSULTANT REPORT ON PUBLIC OPINION SURVEY FOR DEPARTMENT OF LABOUR, 1968-69

Motion No. 62—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by Canadian Facts Company Limited, on a public opinion survey undertaken for the Department of Labour in the fiscal year 1968-69, as mentioned in answer to Question Number 1,323 of the 1st Session of this Parliament.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the public opinion survey, made for the Department of Labour by Canadian Facts Company, Limited, was prepared for internal, confidential use. Under the circumstances we would ask the hon. member to withdraw his motion.

Mr. Skoberg: Mr. Speaker, I think we should know what Canadian Facts Company, Limited really has to say about the public.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

FEASIBILITY STUDY ON MARGINAL DAIRY FARMING

Motion No. 64—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the feasibility study on marginal dairy farming undertaken for the Department of Regional Economic Expansion in the fiscal year 1967-68, as mentioned in answer to Question Number 1,323 of the 1st Session of this Parliament excluding confidential references to individuals or individual firms.

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, the study requested was research undertaken for use by officials in programs planning and was intended solely for internal use. I would, therefore, request the hon. member to withdraw his motion.

Mr. Skoberg: I call for the vote, Mr. Speaker.

Mr. MacEachen: Transfer for debate.

Some hon. Members: Chicken!

Mr. Speaker: Transferred for debate.

CONSULTANT REPORT ON GUIDANCE AND ASSESSMENT OF THE CANADIAN TEXTILE INDUSTRY

Motion No. 71—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by the Economist Intelligent Unit on guidance and assessment of the Canadian textile industry, undertaken for the Department of Industry, Trade and Commerce in the fiscal year 1966-67, as mentioned in answer to Question Number 1,323 of the 1st session of this Parliament.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, as the Minister of Industry, Trade and Commerce had indicated to the hon. member in previous responses this study is of a confidential nature, the release of which would be detrimental to the future relationship between the department, the consultant and the industry concerned. In view of this, the minister would ask the hon. member if he would not reconsider and withdraw his motion.

Mr. Skoberg: Mr. Speaker, I believe it is detrimental to the public of Canada not to know this and I call for the vote.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

CONSULTANT REPORT ON THE CANADIAN TEXTILE INDUSTRY

Motion No. 72—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by Gherzi Textile Organization on the Canadian textile industry undertaken for the Department of Industry, Trade and Commerce in the fiscal year 1966-67, as mentioned in answer to Question Number 1,323 of the 1st session of this Parliament.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, this study is of a confidential nature, the release of which would be detrimental to the future relationship between the department, the consultant and the industry concerned. In view of this, the minister would ask the member to kindly reconsider and withdraw his motion.

Mr. Skoberg: The same explanation, Mr. Speaker. I call for the vote.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

Motions for Papers

PRIVY COUNCIL OFFICE REPORTS REGARDING ESTABLISHMENT OF INFORMATION CANADA

Motion No. 103—**Mr. Lewis:**

That an Order of the House do issue for copies of all memoranda, studies, reports, correspondence, etc., prepared by the officials in the Privy Council Office regarding the establishment of Information Canada and related matters thereto.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move this motion on behalf of the hon. member.

Mr. Barney Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, the documents requested are part of the internal functions of the Privy Council office. In view of the long established principle of the House that such documents are privileged, perhaps the hon. member would agree to withdraw his motion.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the commitment of this government to participatory democracy and the giving of full information, I trust we can have a vote on this important question.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

CORRESPONDENCE BETWEEN GOVERNMENT AND WHITE PASS AND YUKON RAILWAY COMPANY REGARDING HIGHWAY FACILITIES

Motion No. 104—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of all telegrams, correspondence and other documents exchanged between the government or any agency or department thereof, and the White Pass and Yukon Railway Company since January 1, 1969 regarding highway facilities and transportation of oil or oil products.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, a search of departmental files has revealed that there exists no correspondence under the purview of this motion. The motion is therefore not acceptable to the government and it is hoped that the hon. member will withdraw his motion.

Mr. Howard (Skeena): Mr. Speaker, I will be glad to do that but it seems passing strange that the Minister of Public Works at one time said there was.

Order discharged and motion withdrawn.

HEALTH AND WELFARE—PROGRAM ON FAMILY PLANNING AND BIRTH-CONTROL CLINICS

Motion No. 113—**Mrs. MacInnis:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence between the federal government and the provincial governments regarding the Department of National Health and Welfare's program on family planning and birth-control clinics.

[*Translation*]

Mr. Gaston Isabelle (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, as the provinces have not unanimously agreed to the publication of such correspondence, the Minister of National Health and Welfare cannot table the documents requested.

I would therefore ask the hon. member to withdraw her motion.

[*English*]

Mrs. MacInnis: If the Parliamentary Secretary can assure me that the provinces have refused to give their consent I will be glad to withdraw.

Mr. Speaker: Is the motion withdrawn?

Mrs. MacInnis: Did I understand correctly that they have refused to give their consent?

Mr. Isabelle: Yes.

Mr. Speaker: The motion is dropped.

Order discharged and motion withdrawn.

STUDY ON TEXTILES

Motion No. 139—**Mr. Gilbert:**

That an Order of the House do issue for a copy of the study on textiles as reported in the Annual Report of the Department of Industry, Trade and Commerce, April 1, 1967-March 31, 1968, on pages 51-52.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, as the Minister of Industry, Trade and Commerce had indicated to the hon. member in previous responses, this study contains information provided in confidence to the department on the understanding that it not be disclosed. Such disclosure would prejudice the department's ability to obtain similar information in the future. In view of this, the minister would ask the member if he would not reconsider and kindly withdraw his motion.

Mr. Gilbert: Mr. Speaker, I am sure the public would like the information and I would therefore ask for the vote.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

Shall the remaining notices of motions stand?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

POLICY RESPECTING ISSUANCE OF PASSPORTS TO KIDNAPPERS OF JAMES CROSS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Secretary of State for External Affairs what the policy of the government is with regard to the issuance of passports to the terrorists who kidnapped James Cross and who have left this country for Cuba?

[Mr. Isabelle.]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the kidnappers did not leave Canada with passports.

Mr. Stanfield: I did not say that.

Mr. Sharp: They left with documents entitling them to travel. They have no passports.

Mr. Stanfield: I did not suggest they had. I asked the minister what the policy of the government would be with regard to the issuance of passports to these people?

Mr. Sharp: I imagine they would be turned down, Mr. Speaker.

Mr. Stanfield: Mr. Speaker, are we to understand that the Secretary of State for External Affairs can give no answer except to draw on his imagination?

Mr. Speaker: Order, please. I have to intervene at this moment. I would think that the further supplementary is hypothetical.

RELATIONS WITH CUBA AND ALGIERS IN LIGHT OF TRAINING OF TERRORISTS

Mr. W. B. Nesbitt (Oxford): Yesterday I directed a question to the Prime Minister concerning Canada's relationship with Cuba and Algeria with regard to the FLQ. Inasmuch as the question involves several departments, specifically the Department of External Affairs and that of the Solicitor General, the Prime Minister indicated that if the question were directed to the Secretary of State for External Affairs he would have an answer. I wonder if the minister has an answer.

Hon. Mitchell Sharp (Secretary of State for External Affairs): If the hon. member will ask his question, Mr. Speaker, I will try to answer it.

Mr. Nesbitt: In view of Canada's full diplomatic relations with the Republic of Cuba and the Republic of Algeria and the repeated allegations in the media that terrorists from Quebec are being trained in these countries and returning to Canada—in the latest instance they have returned to Cuba—and as many questions are being asked in this regard by the Canadian people, will the minister clearly state whether these allegations that terrorists are being trained in these countries are true? If not true—

Mr. Speaker: Order, please.

Mr. Sharp: Mr. Speaker, I wish to take this occasion to express the gratitude of the government of Canada to the government of Cuba for the way they have co-operated.

Some hon. Members: Hear, hear!

Mr. Sharp: I say this because there have been suggestions that the actions of the government of Cuba were somehow reprehensible. I want to make it clear that they acted on our request and on our request only. I have every reason to believe that this friendly country would not act in such a way as to be hostile to Canada.

Mr. Nesbitt: That does not answer the question at all.

Mr. Speaker: Order, please. Obviously many members wish to ask supplementary questions. The hon. member for Oxford will be given the first opportunity.

Mr. Nesbitt: Have members of terrorist organizations in Quebec and other parts of Canada been trained in Algeria or Cuba? Surely the minister can answer that question.

Mr. Sharp: The answer, Mr. Speaker, is that they have not told us. I really do not know.

Right Hon. J. G. Diefenbaker (Prince Albert): In view of the answer just given by the minister, I suggest that he communicate with the Minister of Manpower and Immigration who had full information in this regard and told the Canadian people so several weeks ago.

Mr. Speaker: Order, please.

CANADA—CUBA EXTRADITION ARRANGEMENTS

Mr. Eldon M. Woolliams (Calgary North): A few days ago I directed a question to the Minister of Justice. He is in the House today. I asked him to advise the House whether there were any extradition arrangements between Cuba and Canada for crimes of this nature similar to the arrangements between Canada and the United States.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, a treaty was entered into by the United Kingdom and the government of Cuba on October 3, 1904, providing for extradition arrangements between Canada and Cuba. The government of Canada takes the position that this treaty between Canada and Cuba is still in force.

An hon. Member: Then bring them back.

Mr. Woolliams: I do not know what deal was made, but has any thought been given to negotiations with Cuba for extradition of these three people in particular or any others?

Mr. Turner (Ottawa-Carleton): As I understand it, Mr. Speaker, there are no such arrangements. If the government of Canada guaranteed safe passage of the men concerned to Cuba, I take it the government would have no intention of applying for extradition under that treaty.

Mr. Woolliams: The Minister of Justice says he takes it that the government has no intention. I ask him if the government has any intention of making such an application?

Mr. Turner (Ottawa-Carleton): No, Mr. Speaker.

Mr. Diefenbaker: On a question of privilege, Mr. Speaker, a few moments ago I directed a question to the government. Because it is difficult to follow the ministers in their meanderings from portfolio to portfolio, I mentioned the Minister of Manpower and Immigration when I meant the Minister of Regional Economic Expansion.

Inquiries of the Ministry

Mr. R. N. Thompson (Red Deer): I have a supplementary question for the Secretary of State for External Affairs. Is the minister not aware that there were broadcasts from Radio Havana—

Mr. Speaker: Order, please.

PAYMENT FOR UPKEEP OF KIDNAPPERS WHO WENT TO CUBA

Mr. A. D. Hales (Wellington): I will be more specific in my supplementary question to the Secretary of State for External Affairs. Has Canada made any arrangements to pay for the upkeep of the kidnappers who went to Cuba?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker.

Mr. Speaker: The Chair will recognize one last supplementary on this subject.

[*Translation*]

AGREEMENT WITH CUBA RESPECTING LENGTH OF STAY OF KIDNAPPERS

Mr. Roch La Salle (Joliette): Mr. Speaker, I want to direct a supplementary question to the hon. Secretary of State for External Affairs.

Could he say whether there was an agreement between the Cuban and Canadian governments on the length of time the terrorists will have to spend in Cuba, and whether the Canadian government made quite sure that Cuban authorities would not be able to bring them back to Canada or to let them go to another place from which they would come back to this country?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): If these kidnappers return to Canada, Mr. Speaker, they will be prosecuted for kidnapping, a very serious crime. It is our hope that they will never return.

Mr. McCleave: A supplementary question, Mr. Speaker—

Mr. Speaker: Order, please. I suggest to the hon. member that perhaps we might return to him after the hon. member for Nanaimo-Cowichan-The Islands has asked his question.

Mr. McCleave: On a question of privilege, I think I have as much right to be recognized by the Chair as any other member.

Mr. Speaker: Order, please. The hon. member for Halifax-East Hants will recognize that according to the rules the Chair has the discretion to decide when we should go on to another subject. We have had quite a few supplementaries. I suggest that an opportunity be given to the hon. member for Nanaimo-Cowichan-The Islands and a member of the Creditiste party to ask their questions. If it is the wish of a number of other members of the Official Opposition, we will return to this subject.

Inquiries of the Ministry

TRADE

POSSIBLE ENTRY OF BRITAIN AND OTHER COUNTRIES INTO EUROPEAN COMMON MARKET—OPPORTUNITY FOR CANADIAN EXPORTS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I wish to direct a question to the Secretary of State for External Affairs arising out of his recent visit to Europe. Will the minister tell the House whether he has been able to secure any assurance from Britain and other members of EFTA with regard to Canada being able to gain entry into the markets of those countries, particularly for grain, lumber and various agricultural products?

Hon. Mitchell Sharp (Secretary of State for External Affairs): In general, Mr. Speaker, the tariffs around the European Economic Community are among the lowest in the world. They are certainly a lot lower than the tariffs around Canada and the United States. In general, we have access to the market in Europe for industrial products and we have taken great advantage of it. Last year our exports to the Common Market were up by 40 per cent, an extremely good record. There are, however, difficulties with regard to agriculture. This is one of the principal reasons why the Minister of Industry, Trade and Commerce and myself have been presenting the case for consideration of the position of third countries. This is very well understood. How much success we shall achieve, I do not know, because we do not even know yet whether Britain will succeed in getting into the Community.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I think what concerns those who are exporting primary products is not tariffs so much as quotas. Are Britain and the other nations which are seeking entry into the Common Market prepared to negotiate for a special status for Canada and the other Commonwealth countries, so that we may continue to enjoy a measure of preferred access to the British market?

Mr. Sharp: I think it goes without saying that Britain could not get into the Common Market and still maintain preferential arrangements with other countries; that would be contrary to the underlying principle of the Common Market. However, the British government has been urging the need for a longer period of transition; they have been urging that the quotas and tariffs of the Common Market should be changed to facilitate their entry, and this might result in some beneficial effects for us. We, of course, have been joining in these efforts.

Mr. A. P. Gleave (Saskatoon-Biggar): Can the minister tell the House whether it is his impression that the countries of the European Common Market and those countries which propose to join are still disposed to take part in the round of negotiations proposed as a means of establishing a new international wheat agreement?

Mr. Sharp: Yes, Mr. Speaker. I raised this question when I was in Europe. We also raised it with the Americans when they were in Ottawa. We have been urging support for this course, and when I was in Europe I felt that the results were at least promising.

[Mr. Speaker.]

Mr. Stanfield: Could I ask the Secretary of State for External Affairs to explain very briefly just how the longer transitional period for which Britain is asking would help the export of Canadian agricultural products?

Mr. Sharp: Mr. Speaker, I do not know whether you would wish me to enter into a technical discussion. The situation, simply, is that at the present time Britain operates a tariff system of its own, with preferences for us. If a long period of transition were provided, the tariff structure would change gradually from that which now exists to the new tariffs within the Common Market. So our preferential position could be retained for a somewhat longer time in diminishing degree.

POSSIBLE BRITISH ENTRY INTO EUROPEAN COMMON MARKET—REVIEW OF CANADIAN ECONOMIC COMMITMENTS UNDER NATO

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my supplementary question is also directed to the Secretary of State for External Affairs. In view of the opinion expressed by the minister at the NATO ministerial meeting in Brussels, that there should be a constant dialogue between the United States and Europe to avoid a trade confrontation, does the minister or the government intend to press for a complete review of our NATO commitments and responsibilities, especially in connection with economic matters, in the hope of offsetting any economic losses which may occur to Canada if Britain joins the Common Market?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Not specifically. My purpose in raising this question in the NATO context was related to Article II under which we are supposed to be co-operating in economic matters. When I was pursuing this point I was not speaking only for Canada; I was speaking for Europe, the United States and Canada. I believe it is very much in the interest of all members of the alliance that there should be co-operation. If we fail to co-operate we shall all suffer, not only Canada.

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INFORMATION CANADA

ADVERTISEMENT FOR CHIEF OF ATTITUDINAL SURVEYS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to direct this question to the Minister without Portfolio who answers for Information Canada. Yesterday I asked the Prime Minister about the appointment by Information Canada of a chief of attitudinal surveys at a salary of almost $23,000 a year. As the right hon. gentleman was not able to cope with the question, I ask the minister whether he will make a statement on motions shortly indicating the government's intentions, whether it is intended to set up an arm of the Public Service to take public opinion polls, bearing in mind the dangers which might arise from slanting, distorting or influencing these polls?

Mr. Speaker: Order, please. My understanding of the hon. member's question is that he asked whether the

minister would make a statement on motions. The question would be acceptable in those terms.

Hon. Robert Stanbury (Minister without Portfolio): In those terms, Mr. Speaker, the answer is no, because a statement has already been made by the Prime Minister explaining this matter. It has also been explained to the parliamentary committee in which the estimates of Information Canada were examined. Unfortunately, the members of the hon. gentleman's party have apparently not conveyed this information to him.

An hon. Member: There is an information gap.

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PENITENTIARIES

PRINCE ALBERT—INVESTIGATION OF CONDITIONS BY STANDING COMMITTEE

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the President of the Privy Council. About a week ago, my hon. friend from Regina East asked the President of the Privy Council whether he was prepared to introduce a motion in the House authorizing the Standing Committee on Justice and Legal Affairs to conduct an inquiry into the riot and other disturbances at the Prince Albert penitentiary. The minister replied that he would confer with the chairman of the committee about this matter and give his answer later. Is he now in a position to make a statement about the intentions of the government?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I am afraid I am not able to reply directly today; I want to talk to the Solicitor General and consider this possible reference and any other reference which might be made to the standing committee dealing with such matters.

PRINCE ALBERT—RESULTS OF INQUIRY INTO ESCAPES

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, would the Minister of Justice, or whoever is in charge of the Solicitor General's department, care to make a statement to the House on the situation at the Prince Albert penitentiary regarding the escapes and, as I understand it, a hanging—a suicide—there and other troubles in penitentiaries in British Columbia?

Mr. Speaker: Order. The hon. member seems to be asking for an extensive statement and I would think a general statement of this kind ought to be made on motions, unless the minister can answer very briefly.

Hon. John N. Turner (Acting Solicitor General): I think I can answer the question very briefly, Mr. Speaker, as it applies to the Prince Albert penitentiary. The hon. member for Battleford-Kindersley put this question to me, as Acting Solicitor General, on Friday last, as did the hon. member for Skeena.

The proceedings of the board of inquiry convened to inquire into the escape of 11 inmates from the Saskatchewan penitentiary during the early evening hours of November 25 have now been completed. Following these proceedings, six staff members on duty at the time of the escape have been found negligent in the pursuit of their duties. The inquiry found also that their negligence contributed directly to the undetected escape of the 11 inmates. As a result of these findings, the six staff members have been suspended from duty and appropriate disciplinary measures are to be taken. All 11 of the escapees have been recaptured.

The proceedings of the board of inquiry into the fires at the penitentiary, which were referred to by the Solicitor General when he was in the House, are still in progress and consequently I am not yet in a position to make a statement or reply to questions as to the origin or cause of these fires.

Mr. John Burton (Regina East): Mr. Speaker, can the Acting Solicitor General tell us whether any further action has been taken as the result of a suicide in the form of hanging which took place, I understand, at the penitentiary on Monday last?

Mr. Turner (Ottawa-Carleton): I think I had better wait for the report before making any statement to the House.

Mr. Howard (Skeena): Would the minister be prepared to table the report of the board of inquiry into the escapes and consider tabling the report of the board of inquiry into the riot itself when he receives it?

Mr. Turner (Ottawa-Carleton): I should like to look at all aspects of that request, Mr. Speaker.

* * *

PRICES AND INCOMES COMMISSION

SUGGESTED ELIMINATION BY TRANSFERRING DUTIES TO BUREAU OF STATISTICS

Hon. George Hees (Prince Edward-Hastings): I have a question for the Minister of Consumer and Corporate Affairs, Mr. Speaker. Since the facts which the Prices and Incomes Commission will be recording in the future as its main reason for continuing to exist are either being recorded at the present time by the Dominion Bureau of Statistics or can be added to its list at very little extra cost, is the hon. gentleman giving consideration to having this job done in the future by the Bureau of Statistics, thereby enabling the government to end the existence of this commission and save Canadian taxpayers several million dollars a year?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, knowing the hon. member's interest in facts, I am sure he will be glad to learn that in fact the Bureau of Statistics does not carry on any such inquiries as are envisaged by the Prices and Incomes Commission. Therefore, the premise upon which his question is based is quite incorrect.

Mr. Hees: Is it not a fact that the job that will be done is a fact-recording one and that the Bureau of Statistics already does this work in connection with the prices of all products? If the government is unwilling to take the action I have proposed, is it not evident that economy is

for industry but not for the government? Why does the minister not admit his colossal failure and fold up this organization?

Mr. Speaker: Order, please. The hon. member's supplementary question has evolved into a speech and I would not think that is in order.

Mr. Hees: It was a search for information, Mr. Speaker.

Mr. Speaker: Order, please. I think that in fairness the Chair should recognize the hon. member for Joliette. I interrupted him on a supplementary a little while ago, on the understanding that I would return to him eventually. The hon. member for Joliette.

* * *

[*Translation*]

EXTERNAL AFFAIRS

AGREEMENT WITH CUBA RESPECTING LENGTH OF STAY OF KIDNAPPERS

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Secretary of State for External Affairs.

During negotiations between Cuba and Canada for the safe-conduct of Mr. Cross' kidnappers, have the governments come to any conclusion with regard to the length of time the Cuban government would be committed to protect these kidnappers on Cuban soil? Further, can we consider that this exile or this punishment prohibits the kidnappers from ever coming back to Canada?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, in answer to the first part of the question may I say there is no time limit. The Cuban government agreed to receive the kidnappers under safe conduct from us. With regard to the question about whether they can return, if they do return they will be prosecuted for the crime of kidnapping, and perhaps for other crimes. I do not know how I can say that they will never return, but if they do they will be prosecuted.

* * *

NATIONAL SECURITY

AVAILABILITY OF EVIDENCE FOR FUTURE PROSECUTION OF KIDNAPPERS NOW IN CUBA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, can the Minister of Justice assure the House that if these alleged kidnappers or terrorists now in Cuba return to Canada in 10 or 15 years there will be evidence available upon which to base a successful prosecution?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I can say to the Leader of the Opposition that there is no statute of limitations applying to the offence of kidnapping. I cannot say whether evidence would still be available after a hypothetical period of time. However, I am discussing with the Attorney General of Quebec the

possibility of laying charges so that they will remain in effect if and when these gentlemen should ever return to Canada.

Mr. Stanfield: Would the Minister of Justice explain why the government is giving the assurance that if the terrorists do return to Canada they will be prosecuted when the minister is unable to give an assurance that evidence will be available?

Mr. Speaker: Order, please.

[*Translation*]

MEASURES TO PREVENT MURDERERS OF PIERRE LAPORTE LEAVING CANADA—EXTENT OF WARRANTS FOR ARREST

Mr. Henry Latulippe (Compton): Mr. Speaker, I have a supplementary question for the hon. Minister of Justice.

Since Canadian border guards have received specific instructions as well as photographs and detailed descriptions of the seven persons who obtained safe-conduct for Cuba, to cope with the possibility of Mr. James Richard Cross kidnappers returning, can the minister tell us whether he has also taken steps to prevent the murderers of Mr. Laporte from leaving Canada?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I believe it is somewhat difficult to give a precise reply to the hon. member's question.

At any rate, replying to the question on the same situation previously put by the hon. member for Calgary North—

[*English*]

Warrants for the arrest of Paul Rose, Jacques Rose and François Simard have been issued by the proper authorities in the province of Quebec. Charges have been laid against Paul Rose for kidnapping, against Jacques Rose for conspiracy to kidnap and against François Simard for conspiracy to kidnap. The existence of these warrants has been made known to police forces across Canada, any of which is empowered to effect the arrest of these persons. All police forces in this country will do their best to apprehend these three men.

Mr. Eldon M. Woolliams (Calgary North): In light of this new information—and I am not making anything of that—and in light of the answer of the minister, was there something about not seeking to extradite in the deal that was made? If there was not, I do not see any reason why the minister would not say so and why extradition would not be used. If there was nothing to this effect in the deal, I would ask the minister to take a look at it.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think the question put to me by the hon. member for Compton related to the murder of Pierre Laporte. There was nothing in the negotiations involving safe passage of the people who are now in Cuba that related to the alleged murderers of Pierre Laporte, and nothing in that

arrangement would protect anyone who was concerned with the murder of Pierre Laporte.

Mr. Robert Simpson (Churchill): Mr. Speaker, could the minister say, in relation to those who were given safe passage to Cuba, whether any reward has been paid out in respect of their apprehension?

Mr. Turner (Ottawa-Carleton): To the best of my knowledge at the moment, Mr. Speaker, no reward has been paid out.

* * *

YOUNG OFFENDERS ACT

SUGGESTED REPLACEMENT OF BILL

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Solicitor General. In view of the statements made by the Canadian Mental Health Association that the proposed Young Offenders Act is, in fact, a Criminal Code for children which is distasteful in its terminology, legalistic in its approach and punitive in its effect, would the minister consider withdrawing the bill and bringing forth a bill that is more in keeping with the reformative and rehabilitative approaches that the government should take?

Mr. Speaker: Order, please. It seems to me the hon. member's question is defective on two grounds. First, it is argumentative and, second, it anticipates an order of the House.

* * *

EXTERNAL AFFAIRS

NATO—NUMBER OF CANADIAN ARMED FORCES PERSONNEL—PRESENCE OF PORTUGAL AND GREECE IN ORGANIZATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the Secretary of State for External Affairs gave a very comprehensive report on his trip to Europe, but there were one or two matters with which he did not deal. May I first ask him whether or not there was agreement on behalf of Canada that the policy that it had been intended to follow, namely, of reducing our armed forces personnel from 5,000 to 2,500, has now been departed from and that the 5,000 armed force members will be provided?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the question of the level of our armed forces did not arise in that connection. We did join with the United States in saying to our NATO partners that there would be no further reductions in our forces in Europe in the foreseeable future.

Mr. Diefenbaker: Would the minister say whether or not it was decided that Canada would once more return to the 5,000 personnel who were previously in Europe? There is another question that arises, with which the minister might deal when he replies. Can he give the assurance that, at a time when unity is so necessary, Canada will not take or has not taken any part in moving to eject Greece and Portugal from NATO?

Mr. Sharp: Mr. Speaker, there is perhaps a little confusion in the right hon. gentleman's mind about the level of our forces in Europe.

Mr. Diefenbaker: No, there is no confusion.

Mr. Sharp: All I want to say is that there was no discussion at these NATO meetings about the level of our forces in Europe, except for the statement made by my colleague the Minister of National Defence that there would be no change in our force structure in Europe in the foreseeable future. On the second point, no country in NATO made any move to eject Greece.

MILITARY INTERVENTION BY PORTUGAL IN GUINEA

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Did the ministers' NATO conference in Brussels have at its disposal the information from the fact-finding committee of the United Nations which alleged there had been serious military intervention by Portugal. Was this matter taken up with Portugal by the ministers present, and did the Secretary of State for External Affairs, representing Canada, raise this question?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the House will be interested to know that a vote was taken last night for the first time in the United Nations Security Council approving by a vote of 11 to zero, with four countries abstaining, a resolution strongly condemning Portugal for its invasion of the Republic of Guinea. At the time of the NATO meeting we did not have any such report before us. I did raise, on behalf of Canada, the question of the site of the next meeting. This is a routine matter generally, but it seemed to me that in light of the developments at the United Nations it might be more appropriate to have the meeting elsewhere on this occasion. However, in the end there was an almost unanimous view that the best course would be to consider the question of the site of the NATO spring meeting as a procedural matter without political significance, and that is what happened.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the information the Secretary of State for External Affairs has just given to the House regarding the motion of condemnation passed by the Security Council of the United Nations, does Canada intend to take any steps with reference to the membership of Portugal in NATO?

Mr. Sharp: No, Mr. Speaker. It seems to me that the question of membership of Portugal in NATO is, as in the case of Greece, one to be decided on the basis of two considerations: would the departure from NATO of Portugal or Greece strengthen the alliance, and would it do anything to promote the kind of policies we favour? As hon. members know, I supported in this House the findings of the Council of Europe in respect of Greece. We have condemned the policies of Portugal in Africa, but I do not think this means that Portugal should be expelled from NATO.

Inquiries of the Ministry

DRUGS

PROPOSED INTERNATIONAL PROTOCOL—EFFECT OF CANADIAN COMMITMENTS ON LE DAIN COMMISSION REPORT

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I have a question for the Minister of National Health and Welfare. However, I see that the minister and his Parliamentary Secretary are absent, so perhaps I should direct my question to the Prime Minister. In view of the fact that the Minister of National Health and Welfare is scheduled to be in the House for only three more days before the Christmas recess, will the Prime Minister tell the House precisely when the minister intends to make a statement on motions about the commitments the government could enter into on the Geneva protocol on psychotropic drugs, and the effect of these commitments on the recommendations of the Le Dain commission report?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the House should perhaps know that the Minister of National Health and Welfare is today attending a provincial health ministers' conference in Ottawa and that is the reason he is not in the House. The acting minister, the Minister of Labour, is present. I have no knowledge of this matter, but if the Minister of National Health and Welfare undertook to make such a statement to the House I am sure he will make it on one of the days he is here.

Mr. Rynard: I have a supplementary question. Is Parliament to be denied the right to make comments and give advice as to what the delegates to the Geneva conference should do, and how they should act? Are they going to Geneva as delegates to do just what the Minister of National Health and Welfare or the Liberal party tells them to do?

Mr. Trudeau: Mr. Speaker, certainly the House should not be denied that right. As the hon. member knows, under the Standing Orders there are many occasions upon which opposition members can express their feelings and give leadership in these matters. There is, of course, the budget debate which has been going on—

An hon. Member: It is continuing after Christmas.

Mr. Trudeau: —and there are opposition days next week.

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[*Translation*]

NATIONAL SECURITY

EXTENT OF WARRANTS FOR ARREST OF MURDERERS OF PIERRE LAPORTE

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to ask the Minister of Justice a question.

As he answered questions asked by the hon. members for Compton and Calgary North, he said that specific charges would be laid against three persons. On what specific grounds does he feel that charges will be limited to three individuals and does he have definite indications that other charges will be brought against other persons and, if so, against how many?

[Mr. Sharp.]

[*English*]

Hon. John N. Turner (Minister of Justice): Mr. Speaker, the procedure which I follow consistently is never to say anything about investigations being carried out but only about charges brought against accused persons. Therefore, I am not in a position to answer the questions asked by the hon. member.

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[*Translation*]

UNITED NATIONS

USE OF FRENCH LANGUAGE—SUPPORT FOR CANADIAN REPRESENTATIONS BY FRANCE

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. As the minister was absent from the country, however, perhaps his parliamentary secretary will be in a better position to answer.

In view of protests issued by the Canadian ambassador to the United Nations with regard to the treatment given to the French language at the United Nations, could the minister or his parliamentary secretary tell us whether Canada has been given assurance that the situation will be corrected?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, my Parliamentary Secretary has an advantage over me in that he has just returned from New York. He assures me that in response to a very eloquent appeal by our ambassador, which I supported very strongly, for greater use of the French language at the United Nations, he received a positive answer.

[*Translation*]

[*Later:*]

Mr. Gaston Clermont (Gatineau): Mr. Speaker, this is a supplementary to the question put to the Minister of External Affairs by the member for Charlevoix.

Has the minister been informed by his parliamentary secretary whether France had supported Canada's representations for greater use of French at the United Nations?

* * *

[*English*]

NAVIGATION

SURVEY OF MACKENZIE RIVER FOR PURPOSE OF TRANSPORTATION IMPROVEMENTS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Public Works. In light of factual reports that the Mackenzie River transportation route is the most effective for supplying the north slope of both Alaska and Canada, would he advise the House whether any preliminary plans have been made to survey the Mackenzie River in respect of improvements to navigation?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, a number of suggestions have been made and a number of studies are under way. My colleague the Minister of Indian Affairs and Northern Development has announced a change in a program under which considerable sums of money were to be spent on one highway

which have now been allotted to the north. I think that adequate preparation is being made in respect of requirements for a route to coincide with the time the route will be needed. I have every confidence that developments will occur there, and I know my hon. friend shares this view. I think we are in a position to accommodate requirements for the movement of a very great deal of freight in that area.

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AGRICULTURE

POTATOES—ESTABLISHMENT OF REGIONAL MARKETING BOARD IN MARITIME PROVINCES

Hon. Hugh John Flemming (Carleton-Charlotte): Mr. Speaker, my question is for the Minister of Agriculture, but in his absence I shall direct it to the Prime Minister. Can he indicate whether the government intends to present a bill creating a regional marketing board for potatoes in the Maritimes?

Right Hon. P. E. Trudeau (Prime Minister): I have no idea, Mr. Speaker.

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TRADE

CONSIDERATION OF ARRANGEMENTS BETWEEN ATLANTIC PROVINCES AND NEW ENGLAND STATES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct my question to the right hon. Prime Minister. It concerns a speech he made last evening in Saint John, New Brunswick, in which he referred to the important role the Atlantic provinces would have to play in continuing or increasing Canada-U.S. trade. Is the government prepared to give consideration to trade arrangements between the Atlantic provinces and the New England states?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

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LABOUR CONDITIONS

POSITION OF FORMER EMPLOYEES OF AUTOMOBILE PARTS SUPPLIERS

Mr. S. Perry Ryan (Spadina): I have a question for the Minister of Labour, Mr. Speaker. As the motor vehicle manufacturers continue to limit the number of their suppliers in Canada, and in some cases are now manufacturing parts themselves, what is happening to the former employees of the plants that are closed down?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, that is a good question but I do not know whether it is addressed to the right minister. They are either employed at other plants or they are unemployed.

Some hon. Members: Oh, oh!

Mr. Mackasey: If the hon. member is talking about the broader problem of plant closings in Canada as a result of decisions made outside the country, I think this is one of the areas that the appropriate minister should study and in fact this question is being studied in great detail.

Mr. Speaker: Order, please. Hon. members will realize I am trying to limit the number of supplementaries in the hope that we can accommodate as many members as possible before the question period ends. I apologize to hon. members who have not had a chance to ask their supplementaries.

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TRANSPORT

POSSIBLE MARKETING OF SUBSTANDARD AUTOMOBILE TIRES

Mr. Cliff Downey (Battle River): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. It arises from a situation in the United States whereby automobile tires of substandard manufacture which are classified by the industry as rejects and are marketed for agricultural use only are finding their way into the automobile tire market. Is there any evidence that the same situation exists in Canada?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will consult my colleague, the Minister of Transport, who is responsible for the administration of the automobile safety legislation.

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PENITENTIARIES

TRANSFER OF FEMALE INMATES FROM MATSQUI TO KINGSTON

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is directed to the minister who is replying for the Solicitor General. In view of the fact that the report on the status of women expresses concern regarding the need to decentralize women's correctional institutions, is the government reconsidering its decision to close the Matsqui institution in British Columbia and transfer the female inmates to Kingston?

Mr. Speaker: I think this question should be placed on the order paper or debated at the time of adjournment.

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NATIONAL SECURITY

REPORTED GUERRILLA TRAINING CAMPS IN QUEBEC

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, I should like to direct this question to the Acting Solicitor General. Has the government been able to locate any of the guerrilla training camps supposedly located in the Quebec interior and, if so, what action has been taken and were any arrests made in this connection?

Mr. Speaker: Order, please. Apparently the minister is not prepared to reply to the question. The question period expired a few minutes ago. Orders of the day.

Old Age Security

GOVERNMENT ORDERS

OLD AGE SECURITY

AMENDMENTS RESPECTING AMOUNT OF PENSION, MAXIMUM SUPPLEMENT AND ESCALATION THEREOF

The House resumed, from Friday, December 4, consideration of the motion of Mr. Munro that Bill C-202, to amend the Old Age Security Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Services.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, since the era of the Trudeau administration of a Liberal government we have been treated, with some interesting variations, to the old Liberal party technique of handing out crumbs from the rich man's table to the poor. In the days of the Pearson regime, or that of Mr. St. Laurent or Mackenzie King, the crumbs were simply tossed from the table without any great fanfare whenever it appeared that pressures were building up in the country to the point that it seemed necessary to do this in order to retain themselves in power. But under the present order we have had some interesting variations of that practice.

It may perhaps be that there is a mood in this country that will no longer tolerate simply the old hand-out, charity philosophy and therefore the crumbs have to be wrapped in new techniques. I suggest we have been treated to an exhibition of this in the tabling in the House of the white paper. Now, instead of simply tossing the crumbs on the floor they have been nicely gift-wrapped in pretty white paper with a blue cover in order to make them a little more palatable. They have had added to them an interesting new spice called "demogrant". That is the order of things in this debate. We have a fancy, gift-wrapped package called "Income security for Canadians". It of course contains some 60 pages of rather high-sounding phrases, statistical tables and the sort of thing we generally associate with white papers. I should like to make one or two brief references to the words of the white paper as I commence these remarks on second reading of Bill C-202. The white paper begins with these words:

> As Canadians strive for a better social and physical environment, one of their goals is to ensure that everyone has an adequate income on which to live.

Following through on that, the white paper suggests that the main thrust of the government's proposed policy for the coming years is the development of a guaranteed income technique as a major anti-poverty policy. Mr. Speaker, having read those high-sounding phrases in the white paper I was quite interested in the speech of the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) the last time we discussed this measure. I think he took his lead from those opening words. As recorded at page 1772 of Hansard of December 4, the hon. member had this to say with reference to the general terms in which the old age security amendments are before us:

> It is my opinion that a guaranteed income in Canada in this technological age that we have entered, and in which we are destined to live for some time, is inevitable. Sooner or later we will have to have a total, integrated plan for a guaranteed income that is applied across the board.

[Mr. Speaker.]

That, I may say, is a good Liberal phrase.

A little later in his speech he said:

> I think if we are going to talk about this we have to recognize that our culture, as it is today, still has a kind of hangover or legacy from the day when it was accepted that it was good to work and bad to be unemployed or shiftless and not to work.

He then referred to the thrust of government policy toward a guaranteed annual income as a major technique in overcoming poverty and said:

> If we provide a guaranteed income across the board we must again ask how high we are prepared to go? If we put it too high, we are going to be in the position of literally changing our culture. I am not afraid of turning the culture around. It might well be that the time has come, again in a modern age, when we ought to turn the culture around and look at it from the other side.

Having introduced his remarks with this reference to the opening sections of the white paper, and having lauded the idea that we should consider changing our cultural attitudes toward the whole question of work as it relates to income, the hon. member for Lanark-Renfrew-Carleton turned completely about-face, just as I submit the government has done, and went right back to the old hand-out philosophy. I say this because the white paper, after referring to the main thrust of policy being the guaranteed income technique, goes on to say that from this development will follow a shift in policy of universal payments involving changes in the Old Age Security Act. That, of course, is the subject matter of the bill now before us.

When we look at this bill, we see that it does not come in any fancy gift-wrapping and is not spiced-up in any way. It is just a plain, ordinary bill printed in ordinary black and white type with none of the fancy trimmings of the blue-covered paper which the Minister of National Health and Welfare (Mr. Munro) tabled in this House and which the people of Canada have been awaiting with almost bated breath since the beginning of the Trudeau era. The feeling one has all too often in this Parliament is that when we are faced with the reality of having the Liberal party in power, we find ourselves suddenly coming down to earth with a thud and having to face the simple facts of the type of propositions the Liberal party places before us.

• (3:40 p.m.)

The hon. member for Lanark-Renfrew-Carleton said that the principle of this bill is good. Of course, I think one should immediately ask oneself, why does he think it is good? I would again refer to his remarks the other day in regard to the principle of the bill being a good one and would point to the fact that after talking about changes in our cultural attitudes toward work and it being a necessary part of living, he said that the principle of the bill is good because we in society have an obligation to help those who are poor and who cannot help themselves.

I suppose no member of the House would quarrel with the idea that we have a responsibility as individuals and as groups of citizens from time to time to do something to help those who cannot help themselves. We recognize this philosophy with regard to the very young and people

who are infirm and suffer the accidents of life but, more to the point and related to the bill before us, the hon. member for Lanark-Renfrew-Carleton thinks the bill is good because we are going to recognize this principle in respect of the aged.

In expanding upon his support of the principle of the bill he referred to experiences he had had in a profession which he followed before entering this chamber. He talked at some length about his experience in northern Ontario where in his first parish, before having been in residence for two hours, 20 transients knocked on his door. He went on to talk about having to decide whether it is in the best interest of these people to help them so they may continue, as the hon. member said, to live the life of a bum, or whether he should deny that help in order to give them the necessary stamina and vigour to go back to work and do some hard living for themselves. So far as I have been able to follow the hon. member's argument, that is the basic reason for his thinking the principle of this bill is a good one.

I suggest that this is a rather classic example of the muddled thinking that is so characteristic of members opposite when they come to this old question of dealing with social security. Who was the hon. member talking about? He was not talking about the aged; he was talking about young men. What we have before us is a bill dealing with amendments to the Old Age Security Act. In discussing the question of an income guarantee and how it should be provided, we are discussing people who are no longer in the labour force of the country. We are considering the situation of people whom we are encouraging to retire from the labour force by various measures that have been adopted by this Parliament. They are the people for whom, under the Canada Pension Plan, we provided incentives to retire from the work force. I suggest that we are not talking about transient bums as we consider this bill, but about the older people of Canada whom we no longer want to see having to work for a living.

While it was argued in this chamber many times years ago before I was here—but I have followed some of these debates—that it would be demoralizing if through some form of public enactment older people were given means on which to live, nevertheless I thought we had reached the point where generally speaking we rejected that concept. The Old Age Security Act is, up to a point, a rejection of that principle. This is a principle to which I have never subscribed so far as I can recall. I am referring to the idea that there is something morally wrong or degrading in ensuring that elderly people may live in decency and in dignity.

What does this bill do? Among other things, it freezes at $80 the level of the old age pension. The bill is, in effect, a complete denial of what the government in its white paper says is to be the main thrust of its proposed policy, which is that of developing guaranteed income techniques. The proposal in the bill means that if one is talking in the context of a guaranteed annual income, so far as the Old Age Security Act is concerned the elderly citizens of this country will be denied for ever any right of access to the increased wealth produced as a result of the technology of our modern society.

The hon. member for Lanark-Renfrew-Carleton who discussed the question of the inevitability of the coming of a guaranteed annual income, presumably having in mind its general application, cannot logically say that those who are retired should have no part of it. I suggest that the bill flies in the face of the announced policy of the government. This is an aspect of the bill which is not part of an anti-poverty program but is, rather, part of a program for perpetuating poverty.

I suggest that this bill is a denial of the government's stated policy in respect of developing guaranteed income techniques in keeping with industrialization and trends toward automation in our society, because another aspect of the bill perpetuates the 2 per cent freeze on the cost of living index formula which gives no recognition, as does the present act, to the undenied fact that the cost of living has been rising by at least 4 per cent per annum ever since the 2 per cent was granted. I find it rather ironic, particularly since over this period of months we have been listening to pious exhortations about 6 per cent guidelines from people such as the chairman of the Prices and Incomes Commission, guidelines which are directed at people in the work force and which apply to their increased income. We are told we should have a 6 per cent guideline for all those who are living out their active years, but a 2 per cent guideline for those who are retired—and no guideline for the banks and finance companies.

• (3:50 p.m.)

Mr. Speaker, if this bill had suggested a maximum cost of living index formula of 6 per cent, it would have been more in keeping with the general policies the government has been announcing and the things the Prices and Incomes Commission has been talking about. So, Mr. Speaker, when we look at the bill we come back to the inevitable fact that really all that is being done, all that is left from this fancy package which the government has introduced with such fanfare, is the old, unadorned policy of tossing the crumbs from the rich man's table to help the poor and the aged.

Indeed, I would suggest in this case it is not even a matter of tossing the crumbs from the rich man's table; it is a matter of tossing crumbs from the poor man's table to the people who are even poorer, because we are talking about money to be paid out of the old age security fund. So long as the upper ceiling on tax contributions into that fund remains fixed at $240 instead of following the normal income tax formula of escalating for higher incomes, the poor among the retired elements of our society will be supplementing the incomes of people who may be poorer.

I readily agree that the guaranteed income supplement increases will be welcomed by the people who are to receive them. Nobody can deny that. If you are poor at the level at which people have nothing to rely upon other

than the old age security pension, then your pride will not be strong enough for you to turn away crumbs which might give you a full stomach. Therefore, undeniably, the changes in this aspect of the bill will be welcomed by quite a large number of people in Canada. But, Mr. Speaker, I would suggest that even those people should remember that in many cases the benefits they are to receive will come from the pockets of people even poorer than them. I am thinking of people who are retired on a small pension to which there is not attached even a 2 per cent increase in the cost of living index, retired teachers, retired industrial workers who are in receipt of a pension from a group pension plan to which they contributed and who also during their working years contributed to the old age security fund. Under this legislation they will not be entitled to a 2 per cent cost of living increase to their private pensions.

They will be denied an increase of 2 per cent on their old age security, which means that as far as this bill is concerned their income will be frozen for as long as they live. No matter what may happen to the cost of living, whether it goes up 2 per cent, 4 per cent, 6 per cent or 8 per cent per year, they will be frozen forever at that level of income. Mr. Speaker, I think in considering this question we should realize that if they have an income in addition to their old age security, if they are single of $110 a month or more, or an income of $190 a month or more from a pension or other source, they will not benefit by one penny from the guaranteed income supplement.

So when we talk about pensioners and freezing incomes that will not be adjusted in relation to the cost of living, we are talking about people getting $190 a month if they are single, or $350 if they are a married couple both on the old age security pension. No one can suggest, by any stretch of the imagination, that they are rich. That is what I mean when I say that even those who will get this increase in the guaranteed income supplement, welcome us undoubtedly it will be to them, should remember that by this legislation they are being put into a preferred position in relation to many of their fellow citizens who are living in retirement.

This, Mr. Speaker, is evidence so far as I am concerned that the hon. member for Winnipeg North Centre (Mr. Knowles) was not in any way stretching things when he said at the outset of the debate that this was a bad bill. It is the kind of bill that makes me cringe because it has come as a poor substitute for all the high hopes held out since this Liberal administration began. This is the legislation introduced, despite all the high hopes that were built up by replies to questions to the Minister of National Health and Welfare about bringing forth his white paper, when it was going to come, and the hints dropped that we were moving into an era in which we would be thinking in terms of implementing guaranteed income security in the sense that we understand its possibility in our technologically advanced society. The hon. member for Lanark-Renfrew-Carleton said this was the sort of thing we should be thinking about; yet in his muddled-thinking way—I cannot help saying that—he apparently is quite happy with the kind of bill the government has brought forward. He is apparently quite happy that we should retain the philosophy of handing out crumbs to the poor.

It is increasingly difficult to accept those crumbs. The time has passed when one should be in any way grateful for those crumbs, because anyone who knows about the potential production of goods and services in Canada knows it is completely unnecessary that today anyone should be living at the kinds of levels that will be set under this bill in the combination of old age security pension and the guaranteed income supplement.

• (4:00 p.m.)

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, Bill C-202, to amend the Old Age Security Act, is now before the House.

This bill, tabled by the Minister of National Health and Welfare (Mr. Munro), is the result of the tabling of the white paper on income security in Canada which, after a fashion, stands as an admission of the liberal government's sins for having remained inactive in the field of income security.

For a long time now, the Ralliement créditiste has been asking that a guaranteed minimum income be made available to every Canadian citizen, regardless of his language, race, religion or social status.

Taking its inspiration in the white paper in which it hastily discards the minimum guaranteed income, the government now proposes to increase old age security to a certain level. On December 2, 1970, the minister said:

> In 1967, the combined benefits were $105 if single and $210 for couples. At the rate prices have been increasing since then, the corresponding values for these amounts in January 1971 would be $122 and $245. Our proposed rates of $135 and $255 more than restore what their pensions would have been had there been no limiting of escalation.

Mr. Speaker, the purpose of income security is to give social protection to counterbalance the inability to earn a living. Therefore, the income must not only be guaranteed but stabilized. I think that in this connection the white paper is based on that principle and is consequently praiseworthy.

However, old people in Canada have always been considered as poor to whom a measly monthly allowance of $79 is granted. If they do not succeed in making ends meet with $79 and a few cents per month, a lot of investigators intervene to give them reluctantly what is called the guranteed income supplement.

This is perhaps what we dread most, the reluctant payment of a certain amount on the ground that the needs of the recipient have increased.

Mr. Speaker, we must not be prompted today by gratefulness to old people but it is our duty to recognize their rights. The elderly are really entitled to a decent living in Canada.

This is why we rejoice that, in his budget speech of December 2, the minister anticipates an increase in old age pensions. However, I should like to make some remarks as well as some proper representations.

The minister brings no change to the provision setting at age 65 the eligibility for this pension. As far as I am concerned, and through the force of circumstances, eligibility for old age pension has been reached well before 65, because very often, 50-, 55- or 60-year-old people cannot find employment anymore, nor can they undergo retraining. In fact, they are like derelicts in society and they cannot draw any social security payment.

The 55- or 60-year old who is ill or unemployed, even if he has managed to make the final payment on a little home and accumulate a few savings, is in a precarious position as he is not covered by any federal government program.

And if he applies for old age security pension, the answer will be: "Wait till you are 65." All that is left is to apply for welfare benefits. Then he will be told: "Begin by spending your savings and when they are exhausted you can come to us."

This is the type of reasoning used day in and day out by provincial civil servants in charge of welfare benefits. "When you are at the end of your rope, then we may perhaps help you." And my hon. colleagues are aware of the situation.

Should this 55- or 60-year-old person, who is not eligible either for the old age security pension or for social security benefits, apply to the Manpower Centre for a job or, being uneducated, should he ask to receive some training which would enable him to make a living, he will be told: Your chances of obtaining a job when you have completed the course are very dim. At any rate, should we allow you to hold a job, we would feel that we were giving you a bare minimum of social security and you would be taking the place of younger people. So, it is impossible for us to help you.

So, what is to be done with such a person? My colleagues of all parties will grant me that no government program takes into account the group of people whose ages range from 50 to 65.

• (4:10 p.m.)

When citizens reach the age of 65, the federal government begins to take care of them, but at 50, most of the time, the provincial government does not provide for them any longer because these persons have put a little money aside. Very often, they fall ill and have to be hospitalized. The medical expenses incurred then pile up and they find themselves in dire straits.

You will tell me that there is medicare but the fact is that I know scores of persons in my riding who have spent today whatever money they had put aside because there was no government program to help them.

Therefore, I want to tell the Minister of National Health and Welfare that the minimum age which he sets at 65 is too high and that it should be brought down to 60. Any person of 60 should receive the old age security pension, because at that age, 90 per cent of the people are jobless, or without any income to live on and discharge their family responsibilities.

Mr. Speaker, I feel this is an important point and I deeply regret that in this review in depth of the income security programs in Canada, the eligible age has not been reduced to 60.

I want to make this appeal to the minister and tell him that Canadians between 50 and 65 years of age, when they hold no job and do not get any income say to themselves: If I can only live long enough to get my old age pension. It is almost ridiculous:

I am in the office I maintain in my riding every week end, as many of my colleagues do, and out of 20 persons who come to see me, I would say quite frankly—and I could prove it—that 12 of them are in that situation.

These are unemployed pepople who cannot follow a refresher course, cannot receive welfare payments because they have small savings of $400 or $500 and who are waiting for their old age security pension.

It is sad to see that the white paper does not deal with the problems of people caught between two age groups: the age when one can work and the age when one receives the old age security pension.

I most sincerely hope the minister will consider this proposal and I am sure that if he calls for the support of all hon. members he will get it. In this respect, I hope the committee to which the bill will be referred will give the matter very serious consideration.

I would like to insist on another point. It is a matter of principle.

It seems to me that when the government grants an old age pension to one of the spouses it should be understood that the other spouse will automatically get the same pension. For instance when a senior citizen of 65 gets his old age security pension his wife should get it automatically too.

I think that we should not make distinctions in that matter. In his speech of December 2, the Minister of National Health and Welfare has clearly stated that the provisions of this bill are inadequate. His argumentation is very weak. When one examines it carefully, one sees that the government has simply brushed aside that proposal.

In my opinion, it seems logical for the government to consider most seriously my second proposal to the effect that in all cases, whenever one spouse gets its old age security pension, the other one should get it also, automatically, and without any investigation.

The third point which I would like to raise before this House—and this may be the most significant—is the following: from now on the government will hand out to

our older citizens 42 cents more every month. What an increase!

Through the same provision the government is going to tax this old age security pension. Before this bill, the income of two aged people was not taxable but now, what the government gives them with one hand—the fantastic increase of 42 cents a month—it takes away with the other hand by collecting $3 or $4 in taxes. I figured it out for myself and came to the conclusion that by the end of the year the government will have collected more that it will have given.

Mr. Speaker, such is the ostrich policy that proves that the government cannot get anywhere with the present financial system. It empties the pockets of the taxpayers through taxes and surtaxes and gives back only bits of what it has managed to extract from them.

If the government is short of money, as it alleges, the reason is that administration eats up all revenues. It could be ascertained that old age security administration costs exceed the amount spent for pensions.

When needy single persons or married couples ask for the guaranteed income supplement, the government orders an investigation and the accompanying paper work confuses the older person, who often has no education. In fact, such red tape annoys and tires that person and even deprives him of sleep. He is so nervous that he makes mistakes while filling out the forms to be returned to the government. Officials claim that he has made false statements and that his application cannot be considered. The applicant experiences anguish, being isolated from the remainder of the society and unable to meet his needs.

This is what we call the government's "rub-a-dub plans", this socializing system which annoys everybody while failing to recognize individual rights, as Social Credit philosophy recommends, to guaranteed minimum income without government interference or tests.

Mr. Speaker, I insist on urging the government to abolish the guaranteed supplement income and ensure instead an equivalent income, the amount of which would be fixed by statute, to any 60 year old senior citizen. Such a suggestion would illustrate the legitimate and commendable wish of the government to assist people and give them the possibility of a better life. However, the government refuses to do so and says: we lack money. Of course the government lacks money, but it is simply because it takes money from taxpayers and gives it to somebody else.

For instance, on page 15 of the white paper on income security, this short extract which tells and reflects the spirit of the whole document:

> majority of people who enjoy greater security and affluence have been sharing their gains with the less affluent. They are undoubtedly prepared to do more in this direction provided they can be assured that their contributions are used humanely and efficiently.

Now, what does the government do? They publish a white paper, make noisy publicity and say to the people: We will increase old age security pensions because the government understands old people. They make this publicity in order to earn votes and to look like humanitarians so that people will swallow the pill. Once it is swallowed, the bill is passed. If we do not pay attention, we will be caught unaware because the government will tax the more affluent to give to the poor. This is called the concept of socialization, of egalitarianism.

We Creditistes oppose this system because we believe in individual freedom. If a person who is better-off has been clever enough or very often lucky enough to live more comfortably than his neighbor, so much the better for him and he must not be penalized for that.

As for the poor, they must not be penalized either because they are poor. There is no need to take from the rich to give to the poor since this is another injustice.

Here is what is advocated by Social Credit: Instead of taking money from the taxpayers to give it to other people, quite often by using complicated plans and formulas, after investigation a statutory amount of money should be granted to each Canadian from new credit coming from the Bank of Canada and based on the value of production, in proportion to the total buying power that is to say the consumption forces.

Thus the government would not be responsible for poverty and misery by taking the money it needs from the taxpayers but on the contrary it would give prosperity and freedom to our citizens while guaranteeing their economic security.

Mr. Speaker, so long as we keep fooling around with the current system, reform is far off. We are happy about this increase in pensions even though it is not sufficient. We are sorry to see that the government is letting down all the people aged from 50 to 60. I ask them once more that this age be lowered to 60 because I challenge the Minister of National Health and Welfare (Mr. Munro)to tell me that even one program exists for this category of people who are too old for retraining and too young to get their old age pension.

In view of what I have just said, I ask the minister to revise his position and to lower the age limit to 60, so as to allow the spouse of an old age pensioner to receive the same benefits and, finally, to consider the proposals of the Créditistes so that our contribution to the relative ease and income security of old people will not be the direct cause of greater poverty in other areas.

Indeed, the government is well aware of this. In fact, when the Minister of Regional Economic Expansion (Mr. Marchand) commented the last budget speech over television, he recognized that although the government economic policies were designed to fight galloping inflation, to use the words of the Minister of Industry, Trade and Commerce (Mr. Pepin), and to eliminate poverty in Quebec, and although he had approved them, they were effectively generating poverty in the province of Quebec.

Why? Because the whole thing merely amounts to a shift in taxes which increases the administrative costs which, in turn, absorb all these taxes.

Mr. Speaker, once again I demand an old age security pension with a fixed amount, payable without any investigation to every senior citizen in Canada. Indeed, every old people in Canada has equal rights, including the right to a guaranteed minimum income. And it is the duty of any government to guarantee this minimum income through the old age security pension, not by taxation which boosts poverty but rather by issuing credits according to the ratio between the productive potential of Canada and the constant state of equilibrium it should enjoy between consumption and production. That is the only way, according to us of the Ralliement créditiste, to straighten out the system and to really help the needy.

Mr. Speaker, what upsets me most as a member of Parliament, is the fact that the government, which is reputed to have good intentions, is in fact the real cause of poverty and hardship in Canada, because of its system of taxes and going into debt.

Before resuming my seat, I should like to suggest that the principle of the guaranteed income supplement be dropped, and that instead an amount equal to the sum of the pension and the guaranteed income supplement be paid all our old people. There would then be no need for investigations, forms to be filled out, red tape, all those things that annoy people and give no results.

Administration costs would thus be reduced by almost half and the surplus could be given to old people.

Basically, the government must review thoroughly its economic policy because that is where the problem lies.

Today, the provisions of the white paper seem the ideal solution to some members of Parliament but five years from now those members will ask to re-examine the problem because the amount of the proposed pensions will then prove to be insufficient, on account of the cost of living.

Mr. Speaker, everything would have to be started over again. We must not delude ourselves and suggest that the white paper or Bill C-202 contains a marvelous solution. It is false! The problem will only be temporarily solved because the proposed solution is not based on the value of production and consumption in Canada, but rather on some superficial needs of old people. This solution is evidently not based also on an extensive economic reform.

This is why as long as the basic problem is not solved, that is the economic problem, such solutions as Bill C-202 will only be superficial answers which will only worsen the issue or delay the settlement. The more we wait, the more it will be difficult to solve the problem.

An example of this is that the debts accumulated by the federal, provincial and municipal governments, due to interest on bonds and loans for supporting programs of one sort or another, are increasing steadily.

Mr. Speaker, if Canada's senior citizens are under the impression of getting a little more money, in fact they will get less as this new measure will contribute to increase the national debt in view of our wrong taxation system.

Old Age Security

Mr. Speaker, we should rather resort to the issuing of new credits from the Bank of Canada, based on Canada's resources and on its productive value being at par with consumption, and not to promises as the ones that are being made at the present time.

• (4:20 p.m.)

[*English*]

Mr. Ambrose Hubert Peddle (Grand-Falls-White Bay-Labrador): Mr. Speaker, I have a few brief remarks to make on Bill C-202, an act to amend the Old Age Security Act. The recent white paper on income security claims the government wants to fight poverty. Bearing in mind the inconsistencies I have seen recently in government white papers and legislation, I cannot help wondering whether this was really the objective of hon. members opposite. It appears to me they are more preoccupied with measures calculated by the computers to have greater voter appeal. At times there seems to be an almost callous disregard on their part for certain segments of our society which are in a minority.

A case in point is the government's suggestion that everyone who earns more than $10,000, even if it is only $10,001, is rich, and therefore not entitled to receive family allowances. This, we are told, is a valid conclusion. If a man has ten children and earns $10,000 a year, this beneficent government has decided that it will reduce his $75 or $80 family allowance to $50 per month and make that $50 taxable. If he has ten children and earns $10,001 per year, they intend to remove him from the family allowance rolls altogether. Earning the extra dollar puts him out of the picture entirely, and under the new scheme the family income would be reduced by $1,000 a year. Surely, everyone will agree with me that this is a ridiculous concept and one which will have to be adjusted.

Having said this, let me make it clear that I do not disagree with the principle that above a certain point people should not receive these social assistance payments. I do not agree in the particular case to which I have referred; the effect, as I have pointed out, is somewhat ridiculous and I mention it only to emphasize what I regard as a great inconsistency in this bill to amend the Old Age Security Act. The inconsistency lies in regarding a man who earns $10,000 a year as being rich and taking the benefit of family allowances away from him while continuing to pay $80 a month to paupers and millionaires alike. I know the government argues that the latter program is almost in the nature of a separate social contract between the state and the citizens; they say it has been financed since 1952 by a highly visible earmarked personal income tax. This may be true, but I do not accept the argument. Contributions to other social security programs may not be so clearly marked—I include the family allowance among them—but everybody knows that these things are paid for out of taxation.

• (4:30 p.m.)

The point I want to make is that there is inconsistency in the government's thinking. They will continue to pay

$80 a month to all because they contend there is a contract and these people expect this payment. I maintain there are many people in this country making $10,000 a year, which is by no means a magic figure, who have been led to expect over the years that their family allowance payment would continue. When the minister speaks again, perhaps he will try to clear up this point without resorting to the old argument that there is a contract, because I do not buy that argument. People who have been receiving family allowance have just as much right to look forward to its continuation, and I am sure there are many more cases of need in that group than in the case of some people who will continue to receive $80 a month in old age security.

If the government adopts the position that there will be no cut-off point, then you cannot make chalk of one and cheese of the other. Obviously, many hundreds of thousands of people in this country do not need this $80, and if this is going to be the philosophy of the government, let it be so. I do not know whether if this payment is cut out, the minister is worried about getting the measure through the other chamber, because I imagine that the majority of its members have reached the age to qualify for this benefit. Nevertheless, there are hundreds of thousands of people in this country who do not need this payment. We had an example of this yesterday from an hon. member who will not hear of any increase in pay for Members of Parliament. Obviously he does not need it, though he has reached the age where he receives it. I am also sure the former Prime Minister does not need it. However, I am not pinpointing these people; my point is that there are numerous people who do not need it.

Perhaps the minister would use his research facilities to tell me whether this payment of $80 would be made even if there were a reasonable break-off po nt. Perhaps having $50,000 or $70,000 in the bank would be a reasonable break-off point. I am not suggesting that ordinary people should be excluded, but I should like to know how much saving there would be if people who did not need it were not given this benefit.

There are many inconsistencies in this regard. For example, some mothers will receive under the new proposal almost three times the family allowance that they received hitherto; the payment is being increased from $6 to $16 a month. I know these youngsters have their whole voting life ahead of them but I do not think this should be a factor. On the other hand, we give our elderly people a big deal—an increase of from $111.41 to $135, whis is $24 or, about 20 per cent. On the other side of the coin, in some cases family allowance payments are increased by almost 300 per cent. As I say, there is no consistency.

I think ways and means should be devised to give our elderly citizens a real break, and again I emphasize that it should be given to those who really need it. Married pensioners may have to maintain a family. Many must maintain a home. They have all sorts of extra payments to meet that younger people do not have, such as special drug preparations for which they have to pay the same price as anybody else. We should forget that they will not be around to bother us much longer, and give them a real break now.

In its white paper, the government recognizes that a simple pensioner should not receive just half what a married pensioner receives; proportionately he is paid a little more. Although the government recognize that a single pensioner is single they made no recognition of the fact that a married pensioner is married, unless his spouse also is a pensioner. In other words, a married pensioner under this proposal will receive the same as a single pensioner if his wife is, say, only 62 or 63.

I am aware that under the old age assistance and social assistance schemes people in various provinces can apply for special assistance. As the minister has mentioned, the federal government wishes at the earliest opportunity to enter into discussions with the provincial government with a view to securing improvements in social assistance programs. I do not know whether this would be possible, but I should like the minister to give us some kind of assurance that in cases where pensioners have wives who are beyond the age where they can earn money, say 62 or 63, but below the qualifying age of 65, a provincial supplement will be paid that will bring the income of this married couple up to $255 a month. Otherwise, I think the minister and the government would be creating an unjust situation.

If the provincial governments agreed only to bring cases of this sort up to an income level of, say, $198 a month, I think this too would be unfair. There must be recognition of the fact that a married pensioner is married and is responsible for maintaining a wife and perhaps children or other dependants. There is no recognition of this in the white paper or in this bill. In the interest of such cases as these, I should like to have an assurance from the minister that a formula will be worked out along the line I have suggested.

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to take a few moments to comment briefly on Bill C-202 which is now before the House and to bring a few points to the attention of those who will be on the committee studying the bill after it receives second reading. I am at a loss to know why the government delayed so long before introducing this measure. There does not seem to have been any very just cause for this. I am also at a loss to know why the bill is not broader and more comprehensive in its outline. We were looking forward to something of much broader scope, a measure that would include not only welfare adjustments but perhaps an incentive to work program.

It is also difficult to understand why people aged 65 and over with a small income of just over $110 a month should have their old age security payments frozen at $80 a month. This brings to mind a very good cartoon that appeared in the Guelph *Daily Mercury*. It shows a senior citizen at a stamp wicket in a post office. In one hand he is holding a newspaper in which there is the headline "Old age pensions to be increased by forty-two cents". He is turning to the person in charge of the wicket and

saying, "Easy come, easy go—gimme seven sixes". This cartoon brings out the point that the increase would be only 42 cents with the pension frozen at $80. This is a very serious matter. It is most unfair to these people. When we consider that inflation in the last few years has increased at about 4 per cent per year, it means that $80 six years from now, with this inflation factor built in, will only have a purchasing value of about $60.

• (4:40 p.m.)

There are many people in this class who even with the pension plus the allowable of $110 per month are living very close to the poverty line. This does not give them much more than an existence income. These people have paid into the fund at the rate of 4 per cent, if they have paid any income tax at all. These are the builders and the pioneers of this country who have played an important part in the development of Canada. It seems unfair that their pensions should be frozen.

I cannot help thinking of the debate on this act which took place in the House a few years ago. Along with other members of my party, I felt at that time it would have been more equitable to pay everybody a suitable and reasonable income across the board. There were great arguments both pro and con in this regard. I am broadminded enough to appreciate both sides of the argument. I still think it is discriminatory that those who have worked and saved during their lives to put something away for their retirement will not receive the supplementary benefit. This seems morally wrong. Many of these people have done without the things they wanted. This bill discourages a person from working and saving.

A person who is now eligible for the supplement is discouraged to go out and do light work because for every $2 he earns, $1 is deducted from the supplement. Many people like to help members of the elderly class by offering them odd jobs. Because of the provisions of this bill, elderly people will decide to sit at home on their verandas and read books, which is detrimental to their health. It is good for a person aged 65 to do light work and earn a little extra income.

Another feature of this measure to which I shall refer briefly is the cost of administration. We learned a few years ago, when we discussed this matter, that a very large part of the fund was used for administrative purposes. Perhaps we could cut the administrative staff and thereby save enough to allow an increase in pensions to $125 or $150 per month. The administrative costs are fantastically high. I must also add there are tremendous administrative difficulties. I find it necessary, and I am pleased to do so, to help many senior citizens in my area apply for supplementary benefits. In January I set aside a day or two to assist these people in filling out their application forms. Many people in the age group of 65 to 80 have difficulty with these forms. In many cases they do not have a member of their family to assist them. On occasions they make errors and understate their incomes, and on other occasions the department makes errors.

In some instances, as a result of errors made, a pensioner might find he has been overpaid. Often it is six or eight months before the overpayment is discovered. The pensioner then has to pay back a certain amount each month. This amount is deducted from his pension cheque, and because the money has been spent a real problem exists. In some cases the error was not made by the pensioner but by the department. I think it would be fair in such case that the pensioner should be liable for only half the overpayment, and the department which made the error should be liable for the other half.

• (4:50 p.m.)

These are some of the matters which have come to my attention since the supplementary payment has been in operation. When this bill is before the committee I hope the members of the committee will take a close look at some of its clauses. In clause 7 for example, the time for repayment should be specified; repayment of overpayment caused by administrative errors may bring about great hardship. This provision should be amended so that the cost of overpayment through administrative error is at least partially borne by the administration.

Clause 8 gives the governor in council power of regulation to determine the month in which an applicant or his spouse has ceased to hold office or employment, carry on business, or suffers loss or reduction of private pension income. These matters should not be made subject to regulation but should be determined by a third party—a board, administration or tribunal, but not by the governor in council. Briefly, those are clauses which I believe should be reconsidered by the members of the committee when they examine the bill.

The whole question of welfare would seem to be a hodge-podge. It has grown up like Topsy. I think it is time we had a much better system than that which exists today. I had hoped this would be the case when the minister tabled this bill, but it would appear that we are to continue in the same topsyturvy way of administering and distributing welfare. I cannot understand why the minister did not explain to the House and to the public the reason the people whose pension is to be frozen at $80 are not to have the 2 per cent increase each year, the same as those who receive the pension plus the supplement.

This government has instituted a plan whereby the 2 per cent inflationary factor is built into the Canada Pension Plan. It is also built into some civil service pensions and the RCMP pension. It would seem that this has been the policy all along. Here, however, they penalize the senior citizens of our country by not allowing them to have this built-in escalation which in my opinion they have the same right to receive as anyone else. As I mentioned earlier, the $80 will be worth only $60 in about six years from now because the yearly inflation factor is 4 per cent.

Mr. Speaker, I appreciate the opportunity to make a few observations in respect of this very comprehensive and important bill dealing with our senior citizens, who

are worthy of better treatment than they are receiving in the measure now before us.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, in taking part in the debate on second reading of Bill C-202 may I say that I think the first thing all Canadians and all Members of Parliament should realize is that the greatness of this country naturally stems from our senior citizens. I believe that too often in the past some of our young people in society, including myself, have not really looked the way they should upon the senior citizen and particularly the message they are trying to get across to us in respect of their rights in society.

President Nyerere of Tanzania made very clear in some of his essays on Socialism the contribution the senior people in his country are making and will be making. I believe that we are not living up to the meaning contained in the words of President Nyerere in respect of the part our senior citizens have played. We seem to have a situation in which we deliberately try to divide and conquer this group in our society.

This bill provides a basic $80 a month with no consideration for escalation, and yet we see that the government is proposing an escalation clause in respect of the supplements. In our society it is not right that one group of people should be treated differently from others. If the payment of $80 is included in the bill, an escalation clause should be included to bring it into line with other portions of the bill. It is difficult to understand why the government considers that $80 a month should be the basic amount, when the Economic Council of Canada has stated that the minimum should be $150 a month.

If we expect to have an equitable distribution of wealth in this country, these people should have part of it. We do not seem to realize what is entailed in a planned economy, although we do realize that we should have such an economy. There is no reason to suggest that it is not necessary to take money from a particular segment of society in order to provide for our senior citizens.

In this bill a provision has been deliberately made whereby some people in society will receive only the $80 a month basic pension and will not be entitled to any type of increase. These people will look upon those who will receive the supplement as being in a different situation. I suggest it is not too late for the government to at least make the bill a little more palatable by including an escalation clause in respect of the small amount of $80 which has been suggested. I am certain that before the bill leaves the committee, consideration will be given to this suggestion. If the government indicates that it is prepared to do something about this matter right now, the length of time the bill will be considered by the Standing Committee will be greatly reduced.

There is a realization of the state of poverty which becomes more acute as time goes on. We should realize that these people who have set aside a small amount of money are entitled to recognition. We must realize that the people who will receive only the basic amount of $80 a month will be faced with property taxes which are increasing by 50 per cent in some areas. We know, for example, that some property taxes in Ottawa have risen by 25 per cent in the last year.

With the system of taxation we have at this time, we know that costs will not go down and that people who own property will be obligated, and rightfully so, to pay the property tax. I suggest that if we are to give any consideration to our senior citizens who wish to retain their homes, the property tax must be paid in some other way. I know of many cases throughout the country and in my constituency where people have had to give up their homes because they have been unable to pay the property taxes. I am certain that this 14-cent increase will not enhance their financial position in so far as their home is concerned.

• (5:00 p.m.)

It seems to me that we must accept some kind of equality. I do not think the bill before us can possibly be called the rule of law and equality for this nation. At the present time the law of this nation is dictated by the Liberal government and they will have to stand trial for subjecting these people to such a low basic old age pension. I am sure there is a method whereby the government and this House could redistribute the wealth in this country to bring equality to the citizens of Canada so they can be proud of being Canadian. I am sure we have all seen situations in the past where wage increases have been based on a certain percentage. This, again, accentuates the difference between the haves and the have-nots.

I think departments of government should consider the escalator clause, as they have with regard to other increases which were based on the cost of living. Surely the government can accept this principle and include in the basic amount an escalator provision which would make the assistance more consistent with the cost of living. Also, the 2 per cent provided by the government is far from sufficient. I am sure that the DBS figures reflect the situation as it exists so far as the equitable distribution of wealth is concerned.

We know that people living on old age assistance, and even those subsisting on the basic amount, continue to be confronted by the same situation as everyone else in the country; but they have no way of stretching their dollar to offset the high cost of medicines, for example. They have no means of taking in some of the entertainment to which they should be entitled, unless there is an escalation in the basic amount of pension which they receive. If the government is suggesting that there should not be a basic pension—in effect that is what they are saying in the bill before us—they should come out and say so, instead of saying they are going to divide our society into two groups and give some people a little increase while others will not be considered.

I hope that when this bill goes to committee, senior citizens and their organizations will be heard and the government will pay attention to their representations. I hope all Members of Parliament will realize that we must recognize these people as being members of the

Canadian society. If the government does that, surely it will make amendments to the bill so that everyone in our society will be treated equally. Surely it is not asking too much at this time to consider the 510,000 people who would be affected if they were included under this bill. These people have been included in other types of settlement that have been made. There is no reason why these people cannot be included in this bill.

I am sure that more observations will be made on this subject, because there are millions of poor in Canada. People in other countries have a planned economy, while we have everything that is needed to bring about a planned economy but cannot achieve it. I am certain that if we had a planned economy the distribution of wealth and income of this country could be adjusted to take into consideration those people who have played a great part in the making of Canada.

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, I feel it is my duty to take part in the debate on second reading of this bill because many of my constituents who are having a very difficult time know that this measure will affect them. The bill before the House is an odd phenomenon and reflects the ineptness of the white paper on income security for Canadians. The white paper on income security claims that the government wants to fight poverty. If this is so, this bill is a pretty poor weapon and the poverty line is secure.

Let us state now that a full adjustment for the rising cost of living should be given to all recipients whether or not they receive the guaranteed income supplement. This adjustment should be consistent with the annual cost of living index. Money is currently available for this purpose. The fund has had large and steady surpluses for several years, and the balance at the end of the 1969-70 fiscal year was about $725 million. For the majority of those who receive welfare payments there is no real incentive built into the current program which would encourage them to work and be independent.

I should like to comment on clause 7. The time for repayment should be specified in clause 7 (a). With regard to clause 7 (b), repayment of overpayment caused by administrative error may cause great hardship. This arrangement should be amended so that the cost of overpayment caused by administrative error is at least partially borne by the administration. The recipient should not have to pay for administration errors. Clause 8 gives the governor in council power of regulation to determine the month in which an applicant or his spouse ceased to hold office or employment or carry on business, or suffered loss or reduction of private pension income. These matters should not be made subject to regulation but should be determined at least by a third party—a board or administrative tribunal, but not by governor in council.

I should like to refer hon. members to the research office paper on statutory instruments. Criticism of the powers and use of regulation by the governor in council is relevant in this context. In October of 1970, 1,704,068 people received old age pensions. The present flat rate for old age pensions is $79.58 per month. The proposed flat rate increase amounts to 42 cents a month. The poverty line in 1968 for single persons was fixed at $1,800 and for married couples at $3,000. More than 50 per cent of Canadians 65 years of age and over live below the poverty line. The present guaranteed income supplement pays a total of $25.75 a week. Under the bill, guaranteed income supplement benefits are increased to $95 a month for married couples and to $55 for qualified single persons.

• (5:10 p.m.)

Changes in the old age pension would become effective on January 1, 1971. Changes in the guaranteed income supplement would be effective as of April 1, 1971. Transitional rates regarding guaranteed income supplements would be as follows: Between January 1 and March 31, 1971, the guaranteed income supplement would be $33.61 monthly for an individual and $67.22 per couple. These amounts would have been payable to guaranteed income supplement recipients in January through normal escalation under existing legislation. Income supplements could assist pensioners in the poverty group who are facing increased costs during the winter months.

On the economic front, the fight against inflation seems to be waged on a "victory at any cost" basis and the old age pensioners are the scapegoats. The old age pensioners are in a special category in our society and are undeniably suffering from the effects of inflation. With ever-increasing unemployment throughout Canada there is virtually no hope for an able pensioner to augment his meagre income. This situation is worsened during the winter months. Steps should be taken to assist the pensioner just existing at the poverty level to meet the higher running costs of the winter months. The increases to be implemented will just serve to allow the pensioners to catch up for the time they have been frozen at a 2 per cent annual increase. The cost of living has risen more than twice that amount.

Surely this country is not so hard-up, surely times are not so desperate that we must further penalize our old people in order to come to grips with inflation, and surely this should not be done by a government that professes to be taking us into an age of greatness. We have mass unemployment. Pensioners, both old age pensioners and war pensioners, are among the unemployed. With the present recommendations there is no incentive for them to get out and help themselves. I know of many elderly couples where one spouse is in receipt of a pension but the other cannot find work, and because of pride they do not want to plead their case. They are struggling along, trying to live on a single pension. I know of many cases where a couple is receiving a pension and is attempting to struggle along on a smallholding in districts where even well-equipped farms are meeting difficulty under present conditions. In many cases these people receive no supplementary allowance; all they receive is $79.58 per month.

These people have not drawn their plight to the attention of the authorities, but I know the hardship they are

suffering. Surely greater attention should be paid to these senior citizens by the authorities. I have drawn a number of these cases to the attention of municipal authorities. We all know how much the cost of living has risen. I believe our senior citizens should be treated much better than they are, particularly when there is so much unemployment affecting our young, able-bodied people. I appreciate that the government has finally started to come to grips with this problem, but we have much catching up to do. Many of our senior citizens are in dire need.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I want to take a few minutes to make some comments on this bill. I think it is a very important bill. It affects over one and a half million Canadians. It affects those Canadians to which all of us owe so much. I know that in my constituency many of the people who first settled the area are still there. Now they are senior citizens. These are the people who laid the foundations of my province and, of course, of our country. Many of these people who laid the basic foundation of our country are today faced with many injustices and inequities that are perpetuated because of government policies, or should I say lack of policies, where the government does not really care about them. Many of the elderly people who first settled the country now live in poverty, and as a result of this bill they will continue to live in poverty.

This is the main reason why I consider this bill is a bad bill. In fact, Mr. Speaker, it is a typical Liberal bill. It is something that appeases a few people. It is something that would clear the conscience of a few middle-class Liberals. It may clear the conscience of the Minister of National Health and Welfare (Mr. Munro) but it does not do much for the people who are living out in the country, for the old people and for those who are living in houses that are unfit for people to live in, people who will still be living below the poverty line. It does not mean much to them.

I suggest that this bill is not really fundamental. It does not change anything. It does not redistribute the wealth of the country. What it does is redistribute poverty. For this reason I think the bill should be opposed vigorously by all of us who are concerned about this problem, and I do hope the minister will seriously re-evaluate his position and introduce two or three basic fundamental amendments to the bill.

I have said that this bill is really redistributing poverty among old people. It will not be much of a Christmas gift for our senior citizens. I suggest that the basic rate should be much higher. We in this party are suggesting a basic rate of $150 per month, along with an escalator clause. Under the bill we are to have a flat rate of $80 a month. This is 42 cents more than pensioners are receiving this month. We also find that the minimum income of pensioners will be going up slightly. Under the bill, the minimum income for a single pensioner is going up to $1,600 per year and for a married couple it is going up to $3,060 per year.

We all welcome these small increases because I think we all realize that, even psychologically, if someone is tramping on your foot and he gets off your foot a little, you feel better. So we are happy that there is a small increase. But if we tend to be satisfied with this increase we are only fooling ourselves. Those of us who are satisfied are just hiding in the smug complacency of Parliament; we do not know what our older people are facing.

• (5:20 p.m.)

All I have to do to prove my point is refer to the studies made by the Economic Council of Canada and by Senator Croll on the matter of poverty in Canada. In 1968 the poverty level for a single person in Canada was set at $1,800 a year. According to Senator Croll, who considered the increase in the cost of living, in 1970 this figure should be raised to $1,944. If this bill passes it will raise the minimum pension for a person with no other income to $1,600. But that is not all, Mr. Speaker. The person with a "tremendous" income of $1,600 will have to pay income tax because our government believes he is making two much money and does not need it all. For this reason I think we need some basic and fundamental changes in this bill. Let's not fool ourselves. I hear the minister saying that we need more money. It seems to me that in Canada we have a great deal of money for other things. We have money to subsidize certain sectors of private industry. We have all kinds of money to spend on things that really are not important when it comes down to people who are not as privileged as others. Yet all of a sudden we run out of money.

I suggest that we should make amendments to this bill in reference to the escalator clause. Under the new requirements the escalator clause will not apply to the flat rate of $80 a month, but it applies to the flat rate today. The 2 per cent applicable to the supplement is not adequate, and I think the minister is fooling himself if he thinks the cost of living is going to increase by only 2 per cent next year and the year after. Why does he set $80 a month as the basic flat rate for the old age pension? This figure is ridiculous. Many older people who are without other means will find this amount far from adequate in order to live in Canada at today's high cost of living.

Under this bill only 60 per cent of the people now receiving the old age security pension will be eligible for the guaranteed income supplement. That is, 60 per cent of 1,700,000 pensioners will receive the supplement and the remainder, 510,000, will not receive it. But many of these pensioners also need extra help. I have already said, Mr. Speaker, that those people receiving the old age pension today will not be exempt from income tax, and this seems rather ridiculous. When the basic exemption for income tax was set in this country, the cost of living was not as high as it is today. We could get around this problem by doubling the exemption for old people, making it $2,000 instead of $1,000 for single people and $4,000 for a married couple.

I should like to ask the minister why we must delay the implementation of these benefits, small as they may be, until April 1, 1971. Why not make these provisions applicable at the beginning of next year, or even sooner? We have known for a long time that there is need for an

increase in old age pensions. The problem of the pensioner in Canada is similar to problems faced by many other groups in this country, many of them powerless or underprivileged. These are the working poor, the unemployed and those on fixed incomes of one sort or another. If we are to give all these people an equal opportunity, we must have changes. The pensioner should not have to worry about money; he should have an income that enables him to live in dignity and to have all the services that are necessary in today's society.

We do not give these things top priority in Canada; that rating seems to fall to money, profits and the interests of our corporate society. In this country we seem to follow the philosophy of survival of the fittest. This means that the weak person, the older person, the person who for some reason or other may not have a skill or education, is pushed aside and trampled upon. This bill reinforces that philosophy. This bill does not redistribute wealth; it redistributes poverty. It takes from some of the poor who are a little more affluent, to give to the really poor. This might clear the conscience of a few people in the Liberal party or a few of the privileged people in Canada, but it will not put much buying power into the pockets of the old people.

There are a number of reasons why we have to take this question more seriously. As I said before, our old people laid the foundations of this country. The country is only 103 years old and many of those receiving the old age pension today are first generation Canadians. They came from all around the world to look for greater opportunity, and indeed many of them found it. But now that they are old they find themselves faced with living in conditions of absolute and abject poverty, when they have a right to dignity and comfort. They are not asking for a pension that is extravagant or that will allow them to live in luxury; all they are asking is that they receive the basics to enable them to live in dignity.

It is the duty of members of this House to convince the government that it must do these things; and if we cannot, we must change the government. We know the resources of this country. We are one of the wealthiest nations in the world, and we have the technology and scientific know-how to make that wealth work for the people. We can transplant hearts and we can go to the moon, but still 20 per cent of our people live below the poverty line. The whole thing does not make much sense to me, Mr. Speaker, and it makes even less sense to the old person who has to live on hand-outs in a house that is cold and not fit for habitation. I again appeal to the Minister of National Health and Welfare to reconsider this bill and to come down, on the side of the people, with sound legislation that will make us all proud of him.

Mr. Mark Smerchanski (Provencher): Mr. Speaker, I should like to make a few remarks on Bill C-202. It has been said that the increase is 42 cents a month. Of course, that is not so, because with the pension supplement a single person will receive $135 a month and a married couple will receive $255 a month. Perhaps the pension supplement should be higher, but on the other hand I think the government should be congratulated on the proposals contained in this bill. Based on a 40-hour week, the government has increased the pension rate for a married person to $1.50 an hour. That is an excellent proposition and is, I think, a major step in the right direction.

Many times in this chamber we have heard members state that they would like to get industry into their areas. The workers in their areas would be happy to receive $1.50 per hour. The pension supplement, based on $255 per month, works out to $1.50 per hour. The only unfair part of this proposal is that the recipients will be taxed under the present income tax arrangement. When the proposals in the white paper on taxation are implemented next year, single persons receiving $135 a month, and married couples receiving $255 per month, will not be taxed. As with any program, everyone would like a little more money to spend. However, there must be a reasonable equivalent between the tax proceeds of the government and what it has to pay out. Some people in our society have a very heavy tax burden. It is not fair to require these people to pay additional taxes in order to hand out this money to others.

• (5:30 p.m.)

The program proposed in Bill C-202 will assist the senior citizens. We must bear in mind that there are also other programs for these people, such as medicare. The provinces have a well-integrated and well-planned system by which some senior citizens enjoy additional benfits. I repeat that if the pension supplement is worked out on an hourly basis, it averages $1.50 per hour. If all employed Canadians received $1.50 per hour, taxes could be reduced in this country. It is only one side of the coin to state that this increase works out to 42 cents per hour. It should be brought to the attention of our senior citizens that they are receiving fair and equitable treatment.

Some hon. Members: Hear, hear!

Mr. Smerchanski: The pension supplement for single people will be increased to $135 per month, and $255 per month for married couples. We must also consider the places in which our retired senior citizens live. Those living in a rural area may have a garden, chickens and possibly cows which provide their milk and butter. If they receive $1.50 an hour, this is a good income. The opposition is being unfair when they say that the government is not providing enough. The assistance proposed in this bill is fair and equitable. I agree that more can be done. Possibly in another year or two we will have to reconsider this whole matter. In the meantime, the government should be complimented for having introduced this good program. The senior citizens of Canada will be in a much better position as a result of it.

Mr. Rod Thomson (Battleford-Kindersley): When we think of some of our elderly people on pension, Mr. Speaker, we are sometimes inclined to think of an old

lady living in the suburbs of a city, a small town or on a farm in a genteel or decent form of poverty. Our senior citizens should have an adequate income with which to meet and cover their needs; their income should not only be adequate for their bread and butter. These people have worked hard to build our society and they did not receive very much income for so doing. We received the benefits. Our senior citizens are not given the proper credit for their basic pioneering in this country.

We often take these things for granted. We feel that because we live in a modern, affluent age we deserve all these things. We sometimes feel that because our older people did not earn very much in their working days, they do not deserve a good pension. I take issue with those who hold that view and do not want to provide an adequate pension for senior citizens. Those who built the basic framework for our society have a claim on us. That claim should not be equated to a dollar value on what they put into society. Anyone in business realizes that the basic capital invested in a community increases once the society is in gear. We must give recognition to these people in an economic sense. They should have adequate incomes to enable them to live with a feeling of decency and worth. We disagree with the Minister of National Health and Welfare (Mr. Munro). He does not recognize the basic fact that our citizens have contributed more than is recorded in dollars and cents.

I wish to spend a few moments speaking of some of the individuals in my constituency. I feel it is better to talk about individuals than to quote statistics. We must consider the problems of those people who have farmed for most of their lives, moved into a small village adjacent to their farm and turned over the operation of the farm to their son. They may have an adequate house in the village, and possibly a little money. In addition, they may have an old car. Their life is not too bad so long as they are able to drive that car. But times are changing in Canada. Perhaps the villages no longer have a store. Many do not have a doctor, druggist or hospital. People must go elsewhere for these services. As long as they are able to drive, the situation is not too bad. If they become incapacitated and are no longer able to drive, they are in trouble. They may decide that the village is not adequate and decide to move to a larger town.

When they try to purchase a home in the larger town, they find it is beyond their resources to do so. Because they are not able to sell their house in the small village at a good price, they do not have the capital with which to purchase a house in a larger village. Therefore, they decide to rent an apartment. They find that rents are out of all reason compared with the income on which they have been used to managing. Inflation has cut into their savings. Now they are faced with an extremely difficult problem. They need to be near medical services and they want to be close to older people like themselves. Yet when they try to move, their resources prove inadequate.

• (5:40 p.m.)

The increases which have been announced are not sufficient to take care of these needs. In some cases, it is true, there may be children capable of assisting their parents. This is all to the good; perhaps today we pass too many of our family responsibilities on to the state. But in other cases children will not accept this responsibility or, possibly, they do not have the necessary means. When these old people move into a community where rents are high, they find that when they have paid their rent they are left with insufficient money to take care of other necessities.

I recall talking with elderly people who are extremely conscious of transportation costs. They were used to getting 20 tickets for a dollar. Now, in Ottawa, it costs 25 cents or 30 cents to travel on a bus, and most elderly people travel by bus. Expenses such as these—minor expenses to most of us—are important to elderly people, especially if they wish to take part in such activities for older people as our society provides.

I think of some railroaders in the town of Biggar near my home who were hardworking, industrious people. They saved money and bought a house. They receive a pension. But the pension is nowhere near adequate to their needs today. They were saving money back in the thirties and forties when a dollar went quite a long way. That is not the case today. Their taxes have gone up; the cost of food has risen and the cost of new articles, when they have to buy them, bears no relation to the provision they were able to make for themselves. So they are caught in a squeeze. I am not talking about people who, like the grasshopper in the fable, preferred to be idle. I am talking about industrious people who saved and used their resources with care but who, because of the changing times, are not able to meet the problems which surround them today.

When I look at these people and see the arrangements they have tried to make, I cannot but feel we ought to consider them a little more as individuals and a little less as statistics. I am sure that if the Minister of National Health and Welfare were to go out and talk to these people, he would also relate to them in this way. He is no more heartless than the rest of us. Sometimes, here in Ottawa, dealing with millions of dollars and problems of statistics we forget that somewhere out there is a person. We must look at this question less impersonally.

I do not wish to belabour the subject. I feel we can do better than we have done. I liked the suggestion made by one hon. member who preceded me that we ought to consider this subject again in a year or two. I do not think we are dealing with it adequately now. If this is all we can do at the moment, we had better not wait too long before we take another look at this problem, because inflation is constantly with us and unless we do something about bringing rents into line with the ability of people to afford them, the problem will become more acute rather than less. It behoves us to look after elderly people in a better fashion than we have done so far.

Mr. John Burton (Regina East): Mr. Speaker, I feel I must speak up in this debate in defence of the elderly people in my constituency of Regina East and in defence of elderly people wherever they may live in Canada. In

my constituency there are many elderly people who are watching events very closely at the present time to see what is likely to happen. They know what their situation is. They know very well that they cannot make ends meet on present pensions and sources of income available to them. They see things happening around them which are completely beyond their control; nevertheless, they are affected by economic and social developments which have a definite impact upon their day-to-day living, upon their pocketbooks and upon the small amount of money available to them in their remaining years.

I should like to refer briefly to some of the past history of old age pensions. While I am a relatively new member of this House, I have had some contact with events of the past. I have watched from the galleries on many occasions as subjects such as this were debated. I have heard many spokesmen for the Liberal party in past years brag about their record in connection with welfare policies and declare how constantly they kept the interests of the small people of this country in mind and how well they were looking after their welfare. Really, it was a great day for Canada, as was pointed out earlier in this debate by my hon. friend from Winnipeg North Centre (Mr. Knowles), when the Liberal government of the day decided to do away with the means test in relation to old age pensions and move to the principle of a universal pension.

A great proponent of Liberal policy of that day, Hon. Paul Martin, now government leader in the Senate, was the leading apostle of the government's philosophy in this area. He, along with other Liberal spokesmen, took advantage of every opportunity to draw attention to the great thing they had done by doing away with the means test, by abolishing the differentiation which had existed amongst the old people and making a universal pension available with all its advantages.

It seems, now, that the government is ignoring some of the statements which were made by government spokesmen years ago in defence of the move made at that time toward a universal pension. A significant step was taken a number of years ago when the Canada Pension Plan was introduced, together with the guaranteed income supplement and the universal old age security pension. These measures were, of course, the subject of protracted debate in the House. People such as my hon. friend from Winnipeg North Centre deserve great credit for the efforts they put forth then, as well as on many other occasions throughout the years, on behalf of the elderly people of this country in an effort to ensure them a fair deal.

• (5:50 p.m.)

It is quite clear, as already stated by some of my colleagues, that the effect of legislation such as that now before the House is to create two classes of citizens in this country—the haves and the have-nots. In this connection an injustice is being done to both groups. On the one hand, those who will have to resort to applying for the guaranteed income supplement will have to go through the humiliating procedures involved in filing their applications and taking what amounts to a means test in order to qualify.

I am sure all members of the House have had occasion to deal with some of the very difficult cases that arise. One is amazed at the complexities of administration and the myriad figures that are produced just in dealing with a single case. Multiplied many times over in terms of the number of people who are drawing the guaranteed income supplement, we see something of the monstrosity that has been created and which is created when we have to deal with methods of this sort and programs of this type that distinguish between one group of people and another.

On the other hand, we must also recognize that there is discrimination against those people who, under the present program or under the new program, will qualify only for the universal old age pension which is now $79.58 a month and which, if this measure is passed by Parliament, will be increased to $80. Their first grievance has to be with the reduction of their pension at the start of the new year. These people had every right and reason to expect that as of January 1 their pension would increase to $81.17 from the present figure of $79.58. But it has been decreed by certain circles across the way that this will not be the case.

I am sure the minister is aware that there are many people in this country who are just above the level of income that would otherwise qualify them for receiving the guaranteed income supplement and whose only source of supplementary income is the old age security pension. These people are being cheated out of some of the return that they had every reason and right to expect as a result of their labours in past years on behalf of the people of this country.

It seems to me that a situation such as this is contrary to trends in our pension plans. I feel we have to examine what has happened in many other areas of pensions legislation in this country. We have to consider the position of this group of people who through a little luck or by good management have accumulated a modest, small income other than that which they receive by way of pension. Possibly they have some savings on hand which earn them additional income. These people will receive $80 under the new proposal, it is true, but they will not receive their just reward compared to what other people receive under other aspects of these programs.

It seems to me that a question of elementary justice is involved here. There should be, under our program, provision for the payment of an adequate universal pension, as suggested by other speakers, of at the very minimum $100 a month. If the government continues to pay a guaranteed income supplement, then the total payment should be at least $150 a month, though we would prefer and we advocate a pension of $150 a month for all Canadians.

I suggest that if this measure is passed in its present form it will cause many Canadians to look at government and at Members of Parliament with a sceptical eye. This government, with its typical Liberal, Machiavellian approach, is perhaps saving up a further increase until

just before the next election—who knows? On the basis of past experience, I am sure we can expect this to happen. Rather than give an increase now when it is needed and desired, the government will save up a further measure for granting an increase until just before the next election, timing it very propitiously. I suggest the elderly people of this country will not be fooled by a continuation of this type of tactic if, in fact, this is what the government does have in mind.

Mr. Knowles (Winnipeg North Centre): It will probably be another $6.

Mr. Burton: It could be another $6, as suggested by the hon. member for Winnipeg North Centre. It might be more than that, because the Liberal party was bitten when it made such an increase once before, though I am not sure they have learned any lessons from that. I suggest we must be concerned about the process of alienation that is manifesting itself in our society. We hear many reports of alienation today with respect to our young people, the unemployed, the low-income groups, and so on. I suggest our elderly people are also becoming alienated. If we pass this measure in the form proposed by the government it will, I suggest, contribute to the social phenomenon we have come to regard very seriously today, the alienation of people from our institutions and from the recognized processes of society.

I also suggest we must consider the whole area of poverty. I am sure the minister knows very well what happens to pensioners who have only very little more income than it is possible for them to have and still qualify for the guaranteed income supplement. Many of these people are reduced to finding ways and means of tackling the desperate income problem they are facing at the present time. As I have said, I am sure they look with a very sceptical eye when they see that we now have higher pensions for Members of Parliament—a measure passed in the current Parliament—higher pensions for retired civil servants, higher pensions for members of the armed forces and higher pensions for the RCMP, all of which we approve.

This basic pension has been in effect since 1966—

Mr. Deputy Speaker: Order. The hon. member for Saint John-Lancaster.

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BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, would someone on the government side confirm for the record what we know from private conversation, namely, that Bill C-205 dealing with regional development will be debated tomorrow?

Mr. Francis: Mr. Speaker, it is my understanding that there is to be a continuation of the debate on the bill now before the House.

Mr. Knowles (Winnipeg North Centre): The understanding given to me was that it would be either bill C-202 or Bill C-205.

Mr. Deputy Speaker: Order. It being six o'clock, this House stands adjourned until tomorrow afternoon at 2 p.m.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, December 10, 1970

The House met at 2 p.m.

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill S-8, an Act to amend the Criminal Code, to which the concurrence of this House is desired.

ROUTINE PROCEEDINGS

FINANCE

TAX CONCESSIONS TO "TIME" AND "READER'S DIGEST"—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in light of recent disclosures I ask leave, pursuant to Standing Order 43, to move the following motion, seconded by the hon. member for Skeena (Mr. Howard):

That this House is of the opinion that the special tax concessions made available to *Time* magazine and *Reader's Digest* are not in the best interest of Canada and should forthwith be discontinued.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Yorkton-Melville. Under the terms of Standing Order 43 this motion requires the unanimous consent of the House. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity, so the motion cannot be put at this time.

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CAPE BRETON DEVELOPMENT CORPORATION

PETITION RESPECTING PENSION PLAN OR IMPROVED EARLY RETIREMENT BENEFITS FOR FORMER COAL MINERS

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise at this time to present to the House a petition, which is a privilege granted hon. members under Standing Order 67. I should like to file this petition to the House of Commons with the Clerk of the House.

MOTION TO ADJOURN UNDER S.O. 26

LABOUR CONDITIONS

INCREASED UNEMPLOYMENT AMONG YOUNG PEOPLE

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I ask leave to move the adjournment of the House under Standing Order 26 to discuss a specific and important matter requiring urgent consideration, namely, the joint release this morning by the Dominion Bureau of Statistics and the Department of Manpower and Immigration on employment and unemployment in the Canadian labour force showing that the reduction in the employment of 14 to 24 years olds between October and November was higher than the average for this period in the last five years, representing an increase of 64,000 young people compared with a year earlier. The release also showed a rise in the seasonally adjusted unemployment rate in this group from 10½ per cent to 11 per cent between June of this year and last month, with an increase of 43 per cent over the last full year and with particular effect on the Atlantic provinces.

I should like to move, seconded by the hon. member for Saint John-Lancaster (Mr. Bell), that the House adjourn to discuss this urgent matter.

Mr. Speaker: The hon. member for Gander-Twillingate has given the required notice of his intention to move the motion to which he has just alluded. As the House knows, similar motions have been proposed from time to time following the publication of DBS monthly reports. The rulings of the Chair have consistently indicated that Standing Order 26 is not applicable in such circumstances.

I should add that since the House still has before it consideration of the budget, including an amendment on the subject of unemployment, I must rule that it would not be in order to initiate a new discussion at this time under Standing Order 26.

• (2:10 p.m.)

ORAL QUESTION PERIOD

LABOUR CONDITIONS

INCREASED UNEMPLOYMENT AMONG YOUNG PEOPLE—REGIONAL DISTRIBUTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime

Minister or to the Minister of Labour in respect of the subject raised by the hon. member for Gander-Twillingate. The question relates to the reported alarming increase of some 40 per cent over last year in unemployment among those between the ages of 14 and 24. Can the Prime Minister or the Minister of Labour give the House any information as to the distribution of this unemployment among youth across the country? To what extent is it concentrated in specific regions such as urban communities or in the countryside? I ask this question because I assume that since this has been a continuing development over a number of months this matter has been under investigation.

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, the appropriate minister to whom this question should be addressed is the Minister of Manpower and Immigration. I have not conducted a personal, detailed study of this matter. The only thing I have noticed is that the seasonally adjusted unemployment figure has dropped for the third or fourth consecutive month.

Mr. Stanfield: Mr. Speaker, I should like to ask the Prime Minister or anyone else in the government whether, in view of this very alarming trend over a number of months, any study of the distribution of unemployment in this age bracket has been ordered? Perhaps even more important, has the government ordered any study as to the reason, if any, for this alarming increase in unemployment among Canadian youth which must be a source of great concern to the government as well as to us?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, a regional breakdown in respect of particular groups may not be available in part because the size of the survey in regard to a particular group may not in itself be sufficient to justify any particular conclusion. The information available, however, is that the explanation for the greater number of unemployed in the age group to which reference has been made is that in some measure it is due to the unusually small decline in the size of the group seeking employment rather than in the amount of employment available.

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, if the minister considers that an explanation, I think the Prime Minister had better redistribute the responsibilities of the government. May I ask the Prime Minister whether, in view of this obvious lack of information on the part of his colleagues in respect of this important subject, he will direct that an inquiry be made into this matter? Will he also report at a very early date, before the Christmas recess, what measures the government proposes to take directly related to this alarming increase in unemployment among Canadian youth?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in very recent days the Minister of Finance has indicated what we are doing about employment, and debate has gone on in the House on that subject. I think opposition speakers realized, as indicated in their contributions to that debate, that it was difficult to stimulate the economy and say that such stimulation should only profit a certain age group.

UNEMPLOYMENT—MANPOWER DEPARTMENT FORECAST

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Manpower and Immigration. Mr. Douglas D. Peters, chief economist for the Toronto-Dominion Bank, speaking at the Toronto School of Business, estimated that the unemployment figure for 1971 will not be less than 6 per cent, the figure which has obtained in 1970. May I ask the minister whether he is prepared to table the forecast which his department has made as to the unemployment figures for the coming months and, if possible, for the entire 1971 period?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I certainly will be glad to look once again at the question of whether the available statistical analysis would be helpful. If it seems that it might be I will look at the question of making it available.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that the figures just released this morning show that there were 476,000 unemployed in November, which is 57,000 greater than the previous month and 122,000 higher than November, 1969, can the minister tell us whether the forecast of his department indicates that this figure is likely to decline or increase over the coming months?

Mr. Lang: Mr. Speaker, I think the hon. member is quite aware of the seasonal factors which normally affect unemployment from time to time. Of course the figures he quotes are accurate but they tend to ignore the fact that the seasonally adjusted rate has in fact dropped in the past month from the previous month. The difficulty in being more precise about the analyses we may have available is that hon. members opposite are apt to proclaim them to the country as targets rather than anything else if they were made available. It is our objective, of course, through our many policies to bring the figure of unemployment down as far as possible.

REDUCTION OF PERIOD IN LABOUR FORCE TO QUALIFY FOR MANPOWER TRAINING AND ALLOWANCES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that the unemployment among youth, those under 25 years of age, is now some 212,000 or about 45 per cent of the unemployed, would the minister consider reducing the period of time during which an individual must be in the labour force in order to qualify for manpower training and allowances?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, this question has in fact been under constant consideration with the provincial ministers and other interested persons. It is, of course, a ques-

tion of priority in respect of the training moneys presently available, and the original philosophy was to direct these moneys to those in the labour force for a longer period of time as well as those who have been unemployed. I think there is a lot to be said for that basic philosophy. Certainly the question of adjusting priorities is under constant review.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, in order to try to help the minister clarify his explanation of why unemployment has increased in Canada, is the essence of what he was laboriously trying to explain to the House simply that the reason unemployment has increased is that there are not so many people working in Canada?

Mr. Speaker: The hon. member for St. John's East.

INCREASED UNEMPLOYMENT AMONG YOUNG PEOPLE—SPECIAL MANPOWER UPGRADING PROGRAM

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration. In view of the alarmingly high rate of unemployment among younger people, is the minister now prepared to undertake a study of the unemployment in this age group to see if a special manpower upgrading program is warranted?

Hon. Otto E. Lang (Minister of Manpower and Immigration): The question of the availability of training programs for this age group as well as for others is indeed under constant consideration. Many of the people in this age group, of course, are able to take advantage of these programs although, with the rule about having been in the labour force for a certain period of time, a certain portion of that group is not eligible under the present law.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a supplementary question for the Prime Minister with regard to the 60,000 extra unemployed. In view of the fact that the Christmas season is under way, would the Prime Minister bring joy to the hearts of the Canadian people by removing the Minister of Finance from office and adopting some of our suggestions?

Mr. Speaker: Order.

INCREASED UNEMPLOYMENT AMONG YOUNG PEOPLE—REQUEST FOR INFORMATION

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I would ask the Minister of Manpower and Immigration—the Minister of Labour could also take note of the question—whether he would consider making available to the House the significant information which I understand is accumulated in his department, and perhaps also in the Department of Labour, indicating how serious the unemployment predictions are, so that we could make suggestions and offer proposals in order to help alleviate the problem among young people especially?

Hon. Otto E. Lang (Minister of Manpower and Immigration): I think that is the same question as was asked a moment ago and which I answered at that time.

Mr. Lundrigan: On a point of order, Mr. Speaker, the Minister of Manpower and Immigration is not responding to the questions. Also, he is certainly misleading the House with his use or misuse of statistics in that he continually compares the seasonally adjusted unemployment rate for one month with the previous month. The only statistic that should be used—

Mr. Speaker: Order, please. I suggest to the hon. member that that is not really a point of order but a debate between the minister and the hon. member. If he has a supplementary question, I would be glad to recognize him.

Mr. Lundrigan: It is no good asking supplementary questions if this kind of misinformation is going to be given by the minister.

INCREASED UNEMPLOYMENT AMONG YOUNG PEOPLE—REPAYMENT OF STUDENT LOANS

Mr. Eldon M. Woolliams (Calgary North): I should like to direct this question either to the Prime Minister or to the Minister of Labour. It concerns those who had student loans from universities and have not had a job in six months or have just become employed. Would the government be prepared to extend the time of repayment to one year or more so as to give the students a better opportunity to repay the loans? That is a practical suggestion.

Right Hon. P. E. Trudeau (Prime Minister): The question of student loans is administered by the Minister of Finance, and I am sure that if the suggestion is practical he will consider it.

Mr. Woolliams: Do you not think it is practical?

REDUCTION OF PERIOD IN LABOUR FORCE TO QUALIFY FOR MANPOWER TRAINING AND ALLOWANCES

Mr. David Lewis (York South): I have a question for the Minister of Manpower and Immigration arising out of an answer he gave to the question asked by my leader. He said that the problem of reducing the number of years required before one can obtain an allowance as well as the right to training is under constant consideration. I should like to ask the minister whether, before we adjourn for the Christmas recess, he will make a statement to the House as to the result of that constant review and whether he will take steps immediately to change that regulation?

Hon. Otto E. Lang (Minister of Manpower and Immigration): I am not optimistic about being able to make any statement prior to the adjournment of the House. However, when a decision has been taken which would indicate any change then of course an announcement would be made.

Hon. Robert L. Stanfield (Leader of the Opposition): Does the minister know what percentage of these 14 to 24 year olds require retraining to have a reasonable expectation of being incorporated into the work force?

Mr. Lang: It is difficult to say who requires retraining. The usual question is whether they can take advantage of or benefit from retraining in order to have greater variety or a better type of position offered to them. This is the object of the retraining programs, and of course this is why it is essentially offered to those who have been in the labour force and not simply to those who are at school or who have regular or other schooling available to them.

Mr. Lewis: Perhaps I may address this supplementary question to the Prime Minister. In view of the fact that many of these young unemployed people are obviously not entitled to unemployment insurance benefits and are not entitled to allowances if they try to get some training under a program and therefore have to depend on welfare, may I ask the Prime Minister whether the government would consider immediately either changing the requirement of three years before being able to obtain an allowance during training or discussing with the provincial ministers of welfare some kind of expansion of eligibility for social welfare to which the Canada Assistance Plan would apply?

Right Hon. P. E. Trudeau (Prime Minister): I cannot say that those particular remedies would be the ones that we would consider but the problem is being considered and when we do make any policy changes we will announce them. They may include the suggestions of the hon. member, but they may not.

Mr. Speaker: There is obviously a number of further supplementary questions. The Chair will recognize the hon. member for Humber-St. George's-St. Barbe and then go on to the hon. member for Shefford who has been waiting patiently for an opportunity to ask the first question on behalf of his party.

INCREASED UNEMPLOYMENT AMONG YOUNG PEOPLE—SPECIAL MILITIA TRAINING PROGRAMS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to direct a supplementary question to the Minister of Manpower and Immigration. Would he now consider more seriously the proposals I placed before the Minister of National Defence to introduce special militia training programs for youth?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I am sure the Minister of National Defence heard the hon. member's representations.

[*Translation*]

TRADE

ESTABLISHMENT OF COMMON MARKET WITH UNITED STATES

Mr. Gilbert Rondeau (Shefford): I thank you, Mr. Speaker, for noticing how patient I have been.

[Mr. Lang.]

Since the Prime Minister is supposed to have said in St. John, New Brunswick, on December 8, that the United States will be a net importer of commodities within 10 years, does he not believe that it would be beneficial for Canada to establish a common market with that country?

Mr. Lewis: I hope not.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not think that this consequence can be implied from those premises. The problem of the establishment of a common or continental market has already been discussed in the House. Hon. members know that the government has concluded in certain fields, in the automobile sector for instance, agreements quite profitable for all parties concerned. If other similar cases occurred, we would gladly consider them, but I do not think that it would be advisable at this stage to speak about a complete common market between the two countries. It would not be beneficial for Canada.

It is perhaps a matter that could be considered in the distant future.

[*English*]

DEVELOPMENT OF U.S. MARKETS FOR ATLANTIC PROVINCES' PRODUCTS

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. Is he in a position to outline any special action that will be undertaken by the government to assist in the development of new markets for Atlantic provinces' industries in the United States, as a result of the speech he made in Saint John this week?

Right Hon. P. E. Trudeau (Prime Minister): Of course, Mr. Speaker, the services of the Department of Industry, Trade and Commerce are always available to explore new markets and to help Canadian industry take greater advantage of them. No one is more aware of the situation than the present Minister of Industry, Trade and Commerce.

Mr. Coates: Mr. Speaker, would the Prime Minister or the Minister of Industry, Trade and Commerce consider setting up a special seminar-type conference between industry, businessmen and political leaders in the Atlantic provinces to see if there might be some special type of assistance the department could give to the development of new markets in the area that the Prime Minister pointed out might be advantageous to industry in the Atlantic provinces?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, this is a subject which is being looked at at the moment, but I might underline the fact that the Department of Industry, Trade and Commerce has just opened an office in Fredericton, New Brunswick. I might also say that the Premier of Prince Edward Island was here last week with his Minister of Labour,

Industry and Commerce, and there was an exchange of views with my department, on the external trade situation in Prince Edward Island.

Mr. Coates: Mr. Speaker, I would like to ask the Minister of Industry, Trade and Commerce if he would consider for the Atlantic provinces the type of undertaking that a former minister of trade and commerce undertook for all businessmen in order to develop new markets in foreign countries, especially in the United States?

Mr. Pepin: Mr. Speaker, I might look at it with suspicion now that I know the origin of that idea.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Hees: Mr. Speaker, I resent that, but I would be glad to tell the minister how to do it. It may take a while but I will tell him.

Some hon. Members: Hear, hear!

POSSIBLE SALE OF ELECTRICITY TO UNITED STATES THROUGH DEVELOPMENT OF FUNDY TIDAL POWER

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, I wish to direct a question to the Prime Minister following the question asked by the hon. member for Cumberland-Colchester North. Would the Prime Minister and the government now reconsider the decision they have made on the Bay of Fundy tidal power project in order to provide badly needed electrical energy to the eastern seaboard of the United States, which would be an excellent export from the Atlantic area to the United States?

Some hon. Members: Hear, hear!

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PENITENTIARIES

PRINCE ALBERT—REQUEST FOR TABLING OF REPORT ON ESCAPES

Mr. Frank Howard (Skeena): Mr. Speaker, yesterday I asked the Minister of Justice if he would be prepared to table the report of the board of inquiry into the escapes from the Saskatchewan penitentiary at Prince Albert. Is he now in a position to reply favourably to that request?

Hon. John N. Turner (Minister of Justice): I have looked into that, Mr. Speaker. It has been brought to my attention that these reports have always been considered to be confidential and for purposes related to the internal management of penitentiaries, and so I decline to table the report.

Mr. Howard (Skeena): Is the minister aware that the board of inquiry report into the riot at St. Vincent de Paul penitentiary in the mid-1950s was made public and tabled in the House? May I ask the minister whether, if he is not prepared to table the report of the board of inquiry into the escapes, he will at least table the report of the Royal Canadian Mounted Police inquiry under Inspector Mosher, which was highly critical of the warden of the penitentiary?

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[*Translation*]

EXTERNAL AFFAIRS

INVOLVEMENT OF FOREIGN COUNTRIES IN RECENT TROUBLES IN QUEBEC

Mr. Henry Latulippe (Compton): Mr. Speaker, I wish to put a question to the Secretary of State for External Affairs.

With regard to the international implications of the terrorism that occurred in Quebec, is the minister in a position to state that foreign governments were not involved in the troubles of the last months?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have seen no evidence whatever that foreign governments are involved.

FLQ MEMBERS TRAINED IN FOREIGN COUNTRIES

Mr. W. B. Nesbitt (Oxford): I have a supplementary question for the hon. Minister of Justice in his capacity as Solicitor General, Mr. Speaker. Could the minister tell the House how many members of the FLQ who have been apprehended and questioned were trained for their activities in foreign countries such as Jordan, Algeria or Cuba?

Hon. John N. Turner (Acting Solicitor General): No, I could not, Mr. Speaker.

Mr. Nesbitt: Would the minister undertake to obtain this information from the RCMP and perhaps communicate it not only to the House but to the Secretary of State for External Affairs?

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TRADE

DEVELOPMENT OF U.S. MARKETS FOR ATLANTIC PROVINCES' PRODUCTS—TRANSPORTATION FACILITIES

Mr. Heath Macquarrie (Hillsborough): I should like to direct a question to the right hon. Prime Minister, Mr. Speaker, also based on his forecast in his recent Saint John speech about unprecedented opportunities for Maritime provinces' products in the eastern United States. With a view to furthering this desirable goal, can the Prime Minister advise if he and his government will contribute toward the rapid and efficient transport of such goods by reconsidering the decision to abandon the P.E.I. causeway and by reappraising its contribution toward the cost of construction of the corridor road?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am happy to see that this speech in New Brunswick

was read so attentively by members of the opposition. If the hon. member would read further in the speech he would see that I talked about the problem of transportation in the Maritimes, though not that particular aspect.

Mr. Macquarrie: It was a most sensitive and sensible speech but I wonder if the Prime Minister would consult with the Premier of Prince Edward Island and reopen that most important subject? That would make a good second chapter.

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EXTERNAL AFFAIRS

CANADIAN REPRESENTATION ON UNITED KINGDOM DELEGATION NEGOTIATING ENTRY INTO COMMON MARKET

Mr. Gordon Ritchie (Dauphin): I have a question for the Secretary of State for External Affairs, Mr. Speaker. Has Canada a representative directly attached to the United Kingdom delegation which is negotiating the terms of Great Britain's entry into the European Common Market?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker, but we have representatives accredited to the European Economic Community and to the United Kingdom. Between these two I think we do quite well.

Mr. Woolliams: If you do it like everything else it will be a failure.

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[*Translation*]

INDUSTRY

POSSIBLE SALE OF SOGEFOR LIMITED TO FOREIGN INTERESTS

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

In view of the fact that the General Investment Corporation has announced the sale of one of its subsidiaries, namely Sogefor Limited, I should like to ask the Prime Minister whether the government intends to purchase it, or whether he will announce that steps will be taken to ensure that a typically Canadian company does not fall into foreign hands?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member was kind enough to send me word, a few minutes ago, that he would put that question to me. Unfortunately, I have not yet had time to find the components of an answer. I shall merely say that this is the first time I have heard of this sale, but it would seem that if the General Investment Corporation wishes to sell its subsidiary, there is no reason at first glance why the Canadian government should buy it.

[*English*]

CONSUMER AFFAIRS

BANNING OF SALE OF POTTERY PRODUCTS WITH LEAD GLAZING

Mrs. Grace MacInnis (Vancouver-Kingsway): I have a question for the Minister of Consumer and Corporate Affairs, Mr. Speaker. In view of the fact that one Montreal child died this year and another suffered serious lead poisoning by drinking from a handmade earthenware jug, and in view of the further fact that the United States has now banned some similar Canadian and Mexican products as being too dangerous, will the minister take action for the immediate removal of such products from store shelves in order to avoid possible Christmas tragedies?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, we have been working on the development of a standard for the lead glazing of pottery in order to avoid a recurrence of the tragic event in Montreal a year ago and we expect to announce regulations in due course. If the hon. member has evidence of certain pottery items available now having a high lead content in the glaze, I hope she will bring it to my attention so that proper and speedy action may be taken if required.

Mrs. MacInnis: Mr. Speaker, may I ask the minister if the fact that such Canadian products are banned in the United States is not sufficient evidence to take action?

Mr. Speaker: Order, please. The hon. member's supplementary question is argumentative.

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EXTERNAL AFFAIRS

CANADIAN ATTITUDE TO TREATY SIGNED BY POLAND AND WEST GERMANY

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, this is a question for the Secretary of State for External Affairs. Has the government of Canada taken a position with respect to the treaty just signed between Poland and West Germany?

Mr. Woolliams: This will be a good answer—he has it written out.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we welcome this treaty—

Some hon. Members: Oh, oh!

Mr. Sharp: Mr. Speaker, I am sure that hon. members opposite will agree that this is an important question—

Mr. Speaker: Order, please. Is the hon. member rising on a point of order?

Mr. MacInnis: Yes, Mr. Speaker, I rise on a point of order. Questions in this House are supposed to be of

urgent and pressing necessity before they are permitted. This question has no urgency whatsoever as the Canadian people know that this treaty was signed a few days ago. The fact that it has been brought up now does not qualify it as an urgent question.

Mr. Speaker: Order, please. I suggest to the hon. member and to all hon. members that it is for the Chair to determine what is a matter of urgency. After the question period the conclusion of the Chair from day to day is that many questions are asked and allowed that hardly qualify under the criterion suggested by the hon. member. In view of the circumstances I think the question asked by the hon. member is in order.

Mr. Sharp: Mr. Speaker, I would point out for the benefit of hon. members opposite that this is the first time a question has been asked about Canada's attitude toward this treaty. It should have been asked by the opposition but apparently they are not alive to the importance of this matter.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

An hon. Member: It would not have been allowed.

Mr. Sharp: Canada welcomes this treaty and its attendant documents, including the provisions dealing with Poland's western boundary. We admire the courage and the realism that the federal government of Germany has shown—

An hon. Member: Hallelujah!

An hon. Member: Sit down!

Mr. Speaker: Order, please. I have to interrupt the minister. It is obvious from his reply that what he wants to do is make a statement to the House, but the minister can only do this by way of a statement on motions. I would suggest to him that he should not give the information by way of a statement at this time.

Mr. Sharp: Mr. Speaker, with all due deference, when a question is asked by a Member of Parliament on a matter that he considers urgent and that I agree is urgent, I think it is important that he should have an answer from me. I do not want to make any statement in the House—

Some hon. Members: Oh, oh!

An hon. Member: Make it on motions.

Mr. Speaker: Order, please. Would the minister kindly resume his seat? The question was asked and the minister replied, albeit briefly. I doubt that the statement he was about to make should be made by way of a reply to a question. With respect, I suggest to him that this should be the position in connection with the procedural aspect of the matter.

Mr. Baldwin: Put it to music and sing it at the Christmas party.

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IMMIGRATION

ESTABLISHMENT OF SECURITY REVIEW BOARD

Mr. S. Perry Ryan (Spadina): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. In order to hasten immigration appeals and to reassure the public, has the minister decided to set up a security review board to screen and deal with immigration security cases, as recommended by the latest Sedgwick report and the Royal Commission on Security?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, a question put that broadly goes beyond the scope of my department. Certainly we are considering the whole question of appeal procedures following upon the Sedgwick report and other considerations in this issue. These will include a consideration of the best method of handling security cases as well as the best ways of handling all the other problems involved in the matter generally.

Mr. Ryan: Is the minister recommending to cabinet that such a board should be set up?

Mr. Lang: Mr. Speaker, the hon. member is in the wrong place to be told that.

Some hon. Members: Oh, oh!

Mr. Bell: Shame! There you have the same old bunch.

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HOUSING

REQUEST FOR STATEMENT ON MORTGAGE MONEY REQUIREMENTS AND ROLE OF FINANCIAL INSTITUTIONS

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the minister in charge of housing. In view of the recent discussions he has had with representatives of pension funds and in view of his statement that there will be an anticipated short-fall of mortgage moneys from conventional sources, would the minister make a statement on motions before the Christmas recess setting forth the financial requirements and the targets that we expect our financial institutions to meet?

Mr. Speaker: Order, please. I suggest to the hon. member that the question is in order only to the extent that the hon. member is asking the minister whether a statement will be made or not.

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, I will not be in a position to make a statement as all-embracing as that being asked for by the hon. member before we rise for the Christmas recess. I will make the pertinent information known to all members as soon as that is reasonably possible.

Inquiries of the Ministry

EXTERNAL AFFAIRS

POLICY RESPECTING ISSUANCE OF PASSPORTS TO KIDNAPPERS OF JAMES CROSS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs who has made a great to-do about people being awake today. Has he yet been briefed about the matter of the issuance of passports to the terrorists who went to Cuba, and is he now in a position to say what the policy of his department is in this regard?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it seems to me that the Leader of the Opposition is asking me to make a statement. This seems to have been ruled out of order.

Mr. Hees: Just answer the question.

Some hon. Members: Oh, oh!

Mr. Stanfield: On a point of order, Mr. Speaker, I would ask Your Honour to rule whether the question is in order.

Mr. Speaker: The Leader of the Opposition is being very helpful. I thank him. I shall deliver solemn judgment. The first part of the question was in order, but not the second part.

Mr. Hees: Let us have an answer to the first part.

Mr. Stanfield: Mr. Speaker, I ask the minister to answer the first part of the question.

Mr. Sharp: Mr. Speaker, perhaps the Leader of the Opposition would rephrase his question so I can answer it accurately.

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, I am asking the minister whether he will tell the House what the position of his department is with regard to the issuance upon request of passports to the terrorists?

Mr. Speaker: Order, please. If we are going to be technical about this matter I suggest to the minister and to the Leader of the Opposition that the question would be in order if it dealt with the current situation. It is certainly not in order to invite the minister to make a statement which is normally made on motions. If the minister would like to reply to the first part of the question, as I suggested a moment ago, that would be quite in order.

Mr. MacInnis: Come on; let's have an answer.

Mr. Sharp: Mr. Speaker, I was quite serious in my answer to the Leader of the Opposition. It would take me some minutes to explain the position and therefore I suggest it would be better if the answer could be given as a statement.

Mr. Baldwin: Why not revert to motions?

[Mr. Andras.]

[*Translation*]

REQUEST FOR STATEMENT ON TREATY BETWEEN WEST GERMANY AND POLAND

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I wonder whether my question is in order but I am also interested in knowing what the Canadian government's attitude is with regard to the treaty concluded by West Germany and Poland.

You have decided, Mr. Speaker, that we should revert to motions in order to allow the minister to make a statement. Could we not ask for unanimous consent of the House to revert to motions in order to allow the minister to deliver his statement? Otherwise, would the minister be prepared to make his statement on this important treaty tomorrow on motions?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I could answer this question very shortly and much more quickly than I could the question put by the Leader of the Opposition.

An hon. Member: The minister is wasting the time of the House.

Mr. Speaker: The question, as I understood it, is whether the minister would like to revert to motions for the purpose of making a statement or whether he will ask permission to make a statement tomorrow on motions.

Mr. Hees: What is the minister going to do?

Mr. Sharp: Mr. Speaker, may I have unanimous consent to revert to motions?

Some hon. Members: Agreed.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

EXTERNAL AFFAIRS

CANADIAN ATTITUDE TO TREATY SIGNED BY POLAND AND WEST GERMANY

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we admire the courage and the realism that the Federal Republic of Germany has shown, as a part of its eastern policy, in negotiating this difficult treaty, which follows the one signed with the Soviet Union on August 12. We also commend Poland for its part in contributing, together with the Federal Republic of Germany, to a relaxation of tensions in Europe.

Some hon. Members: Hear, hear!

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I congratulate the Secretary of State

for External Affairs for his courageous and forward-looking statement.

Mr. Speaker: Order, please. Is the hon. member for York South rising for the purpose of addressing himself to the statement made by the Secretary of State for External Affairs?

Mr. David Lewis (York South): Yes, Mr. Speaker. I want to say first that if the Secretary of State for External Affairs felt, as he should have felt, that the subject required a statement by him—

Mr. Speaker: Order, please. The hon. member does not have the floor for the purpose of entering into debate on what appears to be a point of order raised by a number of hon. members a moment ago. He should limit his comments to the substance of the statement made by the minister.

Mr. Lewis: With respect, Mr. Speaker, that is precisely what I thought I was doing, in my own mind at least. I say that if the subject matter in the minister's mind deserved a statement to this House, it ought to have been made at a time when it would not evoke the kind of laughter and hilarity we have witnessed.

Mr. Trudeau: Why did hon. members give their unanimous consent, then?

Mr. Lewis: We are delighted that the Polish government and the Federal Republic of Germany have entered into this treaty. It is significant that Mr. Brant has pursued this kind of policy of trying to ease tensions between West Germany and the countries of eastern Europe ever since he took office.

Mr. Sharp: Hear, hear!

Mr. Lewis: I say that that should have led the minister representing this country as well as ministers representing other countries at the NATO discussions to take further steps which ought logically to follow this treaty between West Germany and Poland.

Mr. Sharp: We did.

Mr. Lewis: They ought to try to solve the problem of a general German treaty, the problem of Berlin, and the other problem which still threatens the peace in Europe. It is not enough for the minister to welcome a step that has already been taken. I say to him in all earnestness that this is merely one little step taken by the two governments concerned, and that there will not be a settlement of the problem in Europe until he and other representatives of other governments are prepared to agree to some kind of security conference or other conference leading to final settlement and a peace treaty between Germany and the other nations involved in the last war.

Inquiries of the Ministry

ORAL QUESTION PERIOD

POLLUTION

PRECAUTIONS FOLLOWING DERAILMENT OF RAILWAY CARS CONTAINING SULPHURIC ACID

Mr. Gaétan-J. Serré (Nickel Belt): Mr. Speaker, I have a very urgent question for the Minister of Fisheries and Forestry. In his absence may I direct it to the acting minister. Following the derailment of sulphuric acid tank cars which were part of a CPR train near Sudbury and the spilling of sulphuric acid into the Pickerel River, can the minister advise the House if proper anti-pollution precautions have been taken or will be taken?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): Mr. Speaker, the latest information received is that nearly all of the 93 per cent H_2SO_4, sulphuric acid, estimated at 1,300 tons contained in the tank cars, has escaped. A large amount of the acid is reported as lying on the ground and has not yet reached the river. Seventy-five tons of lime have been transported from Sudbury, and is now being spread over the spilled acid. More lime is coming from Toronto and is expected on site this evening. The OWRC have an engineer on the site supervising the operations. The Department of Lands and Forests has an aircraft and a biological crew at the site looking for signs of fish mortality and other biological damage.

* * *

EXTERNAL AFFAIRS

FISHING BOUNDARIES AROUND ST. PIERRE AND MIQUELON—LAW OF THE SEA CONFERENCE

Mr. Lloyd R. Crouse (South Shore): I wish to direct my question to the Secretary of State for External Affairs. In view of the controversy surrounding the fishing boundaries and limits around the French-owned islands of St. Pierre and Miquelon, would the minister make an early statement in the House on what progress was made in connection with this matter during his talks while he was in Europe recently attending NATO ministerial meetings?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, this subject did not arise in the conversations I had while in Europe.

Mr. Crouse: Bearing in mind the strong views expressed at the United Nations by Mr. J. A. Beasley, head of the legal division of the Department of External Affairs, concerning the desirability of a new law of the sea covering territorial limits, exploitation, pollution and conservation, would the minister indicate whether any progress has been made toward convening an international conference to deal with these matters and, if so, where and when will such a conference be held?

Mr. Sharp: I should like to take notice of that question. I think the general answer is that progress is being made, but I will ascertain the extent of that progress.

Inquiries of the Ministry

Mr. James A. McGrath (St. John's East): In view of the importance of continuing discussions with France in connection with treaty rights off our east coast, especially in terms of implementing our pollution legislation, may I ask whether talks aimed at reaching a satisfactory settlement of this treaty which we inherited from Great Britain are still going on with the French government? If not, why not?

Mr. Sharp: The subject matter is still the subject of discussions between the two governments. There have not recently been any discussions on the subject, however.

Mr. Stanfield: It is still a matter of discussion but there are no discussions.

PROPOSED AMCHITKA UNDERGROUND NUCLEAR TESTS

Mr. Barry Mather (Surrey): I have a question for the Secretary of State for External Affairs. It is related to the question which was asked by the hon. member for Victoria the other day. Having in mind the announced intention of the United States to proceed with a further massive nuclear test in the Aleutian area next fall and the increasing concern over this proposal in Alaska and British Columbia, will the minister check on this situation, particularly the reported danger of radioactive hydrogen leaking into the Pacific and contaminating its waters?

Mr. Speaker: The hon. member has made a representation to the minister and he has to assume it will be taken into consideration by him.

* * *

HOUSING

ESTABLISHMENT OF CENTRAL MORTGAGE BANK

Mr. Lincoln M. Alexander (Hamilton West): My question is addressed to the minister responsible for housing and it is supplemental to that asked by the hon. member for Broadview. In view of the minister's willingness to participate in the setting up of some form of central mortgage bank, as recommended by the task force on housing and urban affairs, which would be a base for new mortgage institutions and would lead to further liquidity, is it the hon. gentleman's intention to lay before this House legislation leading to the creation of such a central mortgage bank?

Hon. Robert K. Andras (Minister without Portfolio): We held an exploratory discussion in September with the approved lenders and again, the other day, with the trusteed pension fund representatives, during which this suggestion was considered as a possible way to provide increased marketability for mortgages. It was not announced as government policy but it is an interesting proposition which we shall be exploring in more detail, and if the indications are that we should make this recommendation I will say so to my colleagues and, if accepted, naturally we would bring the matter before Parliament.

[Mr. Sharp.]

Mr. Speaker: The hon. member for Qu'Appelle-Moose Mountain.

Mr. Alexander: On a point of order, Mr. Speaker, with all due respect and all possible deference, I hope that we on the backbenches do not escape your eye. We are very patiently expecting some recognition, and in view of the fact that I have only had an opportunity to ask a couple of questions this week I hope Your Honour will give me a chance to ask a supplementary.

Mr. Speaker: Order. The hon. member might be interested to know that the question period had already expired when I recognized him and, later, the hon. member for Qu'Appelle-Moose Mountain. I think this is showing some forbearance and co-operation.

* * *

GRAIN

PROPOSED RECEIPTS CHECK-OFF TO FINANCE RESEARCH AND DEVELOPMENT

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Minister of Agriculture. Has the minister received an urgent request from the Canadian Federation of Agriculture asking that the new Canada Grain Act include a provision for a check-off on grain receipts to assist in financing research and development as part of a national effort in this field?

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker.

* * *

BROADCASTING

EDITING OF NATIONAL NEWS ON BUDGET BASIS

Mr. Rod Thomson (Battleford-Kindersley): I wish to address my question to the Secretary of State. In view of the CBC and CTV practice of editing the national news on a budget basis from such places as Vancouver and Halifax when such is not done in the case of news stories from Toronto, Montreal or Ottawa, will the minister use his office to discourage this practice of discrimination against some parts of Canada?

Mr. Speaker: I suggest to the hon. member that he is making a representation to the government; he has to assume it will be taken into account. Orders of the day.

GOVERNMENT ORDERS

OLD AGE SECURITY

AMENDMENTS RESPECTING AMOUNT OF PENSION, MAXIMUM SUPPLEMENT AND ESCALATION THEREOF

The House resumed from Wednesday, December 9, consideration of the motion of Mr. Munro that Bill C-202, to amend the Old Age Security Act, be read the second

time and referred to the Standing Committee on Health, Welfare and Social Services.

Mr. John Burton (Regina East): Mr. Speaker, when the debate was adjourned yesterday afternoon, I was in the process of urging the government to reconsider the legislation now before us and to bring forward a better bill for the elderly people of this country. I was suggesting that the government ought to be concerned about the process of alienation, to which attention has been drawn on a number of occasions by many speakers both inside and outside this House, and saying that feelings of alienation arose, too, among the old people of this country, the retired people. Unless there is a change of heart on the part of the government, the measure now before us will be greeted by many of the retired people in Canada with scepticism and cynicism.

The bill we are now being asked to pass must, in my opinion, be related to the over-all economic situation in Canada. I do not intend to get into a general discussion of this subject, but I feel there are some relevant points which must be considered in the context of the legislation before us. In many respects it appears the government is acting on the basis of its policy to date, that is its unwillingness to tell the private sector, the corporate sector of the economy, that any action will be taken against it. For some time now, the government has been concerned about inflation and has geared its policies to an anti-inflation approach. Hon. members opposite say, now, that inflation has been slowed down; the government feels it has the situation under control. But they are worrying about a new wave of inflation which may arise in the future and, at the same time, they are bound to consider the high unemployment levels which exist in this country. We hear comments about what is likely to happen during the next round, the next cycle in our economic affairs. We are on a sort of merry-go-round; we are going through the same boom and bust cycle as before. Indications are that the variations in the performance of the economy are becoming greater with each cycle. Each of these variations is tied to the structure of the economy and to government policies in relation to the economy.

I do not wish to discuss this subject in detail, but I feel obliged to mention certain aspects of it; the fact is that the government, given the set of assumptions on which it has been working, has failed to control the course of economic affairs satisfactorily. I grant that hon. members opposite would like to be able to influence the course of economic affairs, to bring them under some control and make them subject to a degree of stability. But they have not found the means of doing so up to the present time, given the assumptions on which the government is working.

I was pleased to note that the Minister of Labour (Mr. Mackasey, speaking in another debate in this House this week, did indicate that it might be necessary for the government to move to implement some form of selective control when dealing with the next cycle in our economic affairs. But regardless of what happens, of how successful or unsuccessful we are in controlling some of the economic forces in Canada, we must protect those who have been economically hurt; and the number one group of people who must be protected and helped is those on fixed and low incomes. The first group of people in this bracket is the old age pensioners of Canada.

• (3:00 p.m.)

This was pointed out by members of this party in a minority report submitted last February to the House of Commons by the Standing Committee on Finance, Trade and Economic Affairs dealing with interest rates and the whole problem of inflation. We disagreed with some of the basic premises of the majority report of the committee and suggested that, as a basic starting point, we had to develop long term policies to deal with the problems of income distribution. One of the recommendations of this minority report was that to achieve the objectives of an equitable distribution of income, and an equitable distribution of the economic burden of rising prices, a comprehensive incomes policy should be adopted. Then, we went on to explain in these words:

> It is essential that what we mean by an incomes policy be well understood. To be meaningful, it must be comprehensive, it must include all forms of income. In addition to wages and salaries (the salaries of members of parliament included) all forms of non-wage and non-salary income—including profits, rents, interest, professional fees and unincorporated business income must be subject to the policy.
>
> The Comprehensive Incomes Policy must include the provision of a guaranteed annual income, to avoid injustice and hardship. It must be flexible enough to take account of (1) the plight of low paid workers (2) disparities within industries and classes of employees (3) increases in the cost of living and (4) other factors causing disadvantage to groups or regions.

We put forward this proposal in terms of its being a long-term policy approach, recognizing that there are problems in implementing such a policy and that this would take time. Thus, we suggested there should also be short run measures to deal with some of the immediate problems that face the Canadian people. The number one item in the list presented in our report, submitted on behalf of the members of this party by the hon. member for Waterloo (Mr. Saltsman) and myself, was that we should immediately compensate the victims of inflation by ensuring that welfare benefits rise at least as fast as the cost of living index. We suggested this should be done in this way:

> —by abolishing the ceiling of two per cent per annum which the Liberal government has imposed on the rise in old age pensions and benefits under the Canada Pension Plan.
>
> —by regular increases in the minimum wage and farm and other primary support prices.
>
> —by requiring private pension plans to be based on best years' earning with a cost of living escalator.
>
> This recommendation does not assume that existing levels of pensions are adequate. An essential first step is to bring them up to the level necessary to meet the cost of living today.

I suggest that if the government had given more consideration to these recommendations instead of the recommendations submitted by its back bench members, it would have been in a much better position today than it is.

In taking a look at old age pension legislation and the manner in which we treat the elderly people of this country, I think we must bear in mind the changes that are taking place in society. Basic changes have been made, and changes are continuing to be made, in the structure of the family, indeed in the entire structure of society. No longer is it the case that the grandfather and the grandmother live with some member of the family; very often they live on their own, and for many reasons. They try to maintain an independent existence.

This is one of the facts of society today. Since forces in present day society have brought about this changed approach to life, we must ensure that our institutions and policies are geared to taking account of the situation and the problems that inevitably arise. Basically we must keep faith with the elderly people of this country. As I have already indicated, we must become concerned with the process of alienation that affects so much of our society and is causing much of the malaise that exists today.

It has often been said that a society is judged on the basis of the way it treats its young, its sick and its aged. I suggest that as far as the latter group of people is concerned, the people of Canada will not judge the government well in terms of the policies it is introducing on their behalf.

I know that many government members contend that we cannot afford to pay more money. They ask where we are going to get the required amount of money from. This is what we have been hearing, of course, over the years when discussing every progressive welfare measure that has been proposed in Canada. I say that we cannot afford not to introduce a better measure for the aged people of Canada. I say that an obligation exists in this regard, and that we must ensure the future welfare of the old people of this country and of Canadian society. This is why the government should reconsider the measure before the House and should ensure that all of our elderly people are treated fairly and squarely.

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, Bill C-202 which is before the House provides certain amendments to the present Old Age Security Act.

Unfortunately, it also contains certain provisions which are not likely to clarify the matter of eligibility. In fact, there is bound to be mistakes in interpretation followed by much correspondence to clarify the situation in certain particular cases.

The adjustment to the supplement, although small, will be appreciated. However, I am of the opinion that the government should have taken into account various factors which at times cause inconveniences to older people.

In the paper *La Presse* of Saturday, May 9, 1970, there was an article claiming that the role and place of older people has yet to be determined, and I quote:

> For the state and for industry, one becomes old at 65. At that age, one no longer has the right to work, one is no longer considered productive. One is only entitled to a bare minimum, like widows and crippled children.

[Mr. Burton.]

> The heart specialist, Dr. Paul David, recently asked: Why live longer, if one cannot lead a useful life? On the other hand, a gerontologist with the Jewish General Hospital, who also works in two veterans' hospitals in the Montreal area, disagrees that productivity should be used as a criterium in judging man. An old man could be happy even without being useful, according to this doctor, if he is still loved and if he still has dealings with other people.
>
> *Harvest Years*, an American magazine for retired people, has this to say about the needs of the old: to be in good health and to have as much independence as possible; to have enough economic security to ensure food, shelter, clothing, medical care and leisure; to be assured of a role in life, of a place in society, to continue to share, helps, love, talk and make plans; to keep one's self-respect, knowing that one is useful, productive and active, within certain limits.
>
> Here are two opinions out of three which lean towards usefulness. Is it easier to find some usefulness for old people or to accept for them (and to have them accept it) a reference role?

A real pension plan should be devised so as to enable old people to use this maturity at an important stage of their life in order to put in practice a life philosophy that it is impossible to have at an earlier age.

If reduced physical strength or the departure of their friends have closed certain doors to them, their maturity opens others. Their share of disappointment in life has increased their cautiousness and this enables them to avoid trouble. Whatever privileges the pensioner has to give up, he still keeps the right to usefulness and dignity.

Everybody cannot find enjoyment from the same sources. Each must try and discover his own capabilities and seek enjoyment according to his own limits, being always very careful not to ask nor hope for what is impossible. Society does not do all its duty if it provides only for the physical well-being of pensioners without any regard for their emotional and psychological needs. It is a mistake to believe that we can, so to speak, put them out to pasture by providing them with food, clothing and shelter.

Canada must endeavour to make the most of the enormous supply of ideas, talents and skills which are represented by its one and a half million people over 65.

During all their active life, these persons have used knowledge inherited from their predecessors, and now, as they are about to retire, they are able to carry out their obligations and to pass it on to their successors.

When we examine a little more closely the fate of the retired people, we soon notice that much has still to be done in order to create that just society which has been promised and which the people want.

It is found that most needy pensioners continue to suffer severe hardship besides living in constant insecurity. It is sometimes ridiculous to hear people speak of guaranteed income. They would be better advised if they tried to palliate the disastrous effects of the present system, which I would call the "guaranteed tax system".

Insufficient consideration is given to fluctuations of monetary values, so that the continuous rise in the cost of living within the system now in force confronts pensioners with serious financial problems, in addition to difficulties arising from application of regulations cover-

ing portability and the army of inspectors whose primary mission seems to be the protection of "the fund".

By granting a 42 cent monthly increase, the government steers them in the right direction. They do not seem to mind some sort of bargaining concerning senior citizens.

Quebec City's *Le Soleil* reported on March 3, 1966 a statement by the Minister of National Health with a headline which illustrates well that the legislation is drafted to protect our unbalanced financial system. I quote:

An increase in old age pensions would result in a tax hike and serious anomalies.

This is the underlying concept of this legislation. They make promises during the election campaign, but after all they can do is tax.

Since the percentage of people 60 years of age is high, it is obvious that the eligibility age for pensions should be reduced to 60, while respecting the freedom of those who want to continue to work and ensuring at the same time that the unemployed or the disabled are eligible for a pension instead of having to beg for welfare allowances.

As always many will worry about the same question of where to get the money they need. I should point out incidentally that in answer to a question asked in 1964 concerning the interest on the public debt of Canada officials indicated that since 1867 Canada had paid more than $15 billion for servicing the public debt. Mind you, "for servicing the debt". Yet our administrators and their underlings wonder where the money will come from. It is known that the amount paid since then for interest only on the public debt exceeds one billion dollars each year.

This financial cancer is now spreading. Municipalities, school boards, provincial governments and even the federal government use up 40 to 70 per cent of their budget to pay off interest on their loans. People are overburdened with taxes and debts of all kind.

Money does not grow on trees. It is produced, controlled and made scarce by men. We should be able, through an adequately oriented show of will, to change this system, replace it and put everything back where it belongs.

Money is a tool designed to allow people to satisfy their needs, provided those who produce or control it take due account of the value of the human person and of everybody's right to life, a natural right acquired by birth which should enjoy precedence over regulations established by those who manipulate money and credit.

Instead of basing our economic system on logic and natural order, we remain attached to a system which severely restricts the means of distribution and the flow of abundant goods which are now available; as a consequence, thousands of Canadians have to live in slums despite the available quantity of materials which they could use to build decent homes.

I do not think one has to be a university graduate to realize that men were created with needs for food, clothing, housing, affection and mutual help. Neither businessmen nor politicians meant it that way.

• (3:10 p.m.)

Admittedly, the Lord in his wisdom has created all goods necessary for the needs of all people, and we have the good fortune, in Canada, to find that goods are plentiful. The Minister of Industry, Trade and Commerce (Mr. Pepin) has visited several countries in the world to offer them our production surpluses.

Our difficulties are not derived from our inability to produce or to build, but rather from our inability to pay. Financially, we are unable to act, although our production system works well, our financial system does not.

This is a topical question that deserves much more consideration than it has received until now, if we mean to develop a mechanism which would make financially possible what is physically and morally feasible.

If we really want to prepare for a better future, we must make efforts along this line.

• (3:20 p.m.)

[*English*]

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I should like to speak briefly on Bill C-202 which deals with the Old Age Security Act. I know a great deal of discussion has taken place on this particular piece of legislation. Once it goes to the committee our group is hopeful that amendments will be offered which will be acceptable to the government so as to make the legislation more acceptable to those concerned. I feel I should place my views on the record concerning the legislation because I shall not have another opportunity to speak on it during the second reading stage.

Bill C-202 must be classed as one of the major disappointments of this 28th Parliament. Ever since this government assumed office, it has led the senior citizens of our country to expect that adequate and favourable action on the whole pension issue would follow the completion of the government's survey of the problem. Our senior citizens waited patiently and expectantly for the white paper on income security for Canadians to be drafted by the government. They had expected relief from the mounting pressure of living costs and were confident that an adequate increase in the basic pension would result.

The bill before us will set the basic old age security pension at $80 a month. This change is to become effective on January 1, 1971, which is only three weeks from today. The disappointing and unjust aspect of this new $80 basic old age security pension is the fact that it is only 42 cents more than the amount being received now by the pensioners. This is a government which talks about the just society, and yet it increases the basic pension by 42 cents a month or $5.04 per year. I can tell you, Mr. Speaker, that there is a very large number of

disappointed and heartbroken senior citizens in our nation as a result of this legislation.

The crowning insult to the senior citizen who only receives the basic old age security pension is the fact that the government will now take away from him the 2 per cent cost of living bonus which was designed to stop the erosion of the purchasing power of the pension. This is one of the most discriminatory and unfair changes in this amending bill. It is contrary to a number of recent pension plans in which clauses have been included covering the escalation of the pensions. Why has the government deliberately chosen to disregard this principle in respect of pensioners who receive only a basic old age security pension? Why have they been singled out for this type of discrimination?

Let us briefly examine several pension plans which recently have been approved by this House. A little less than a year ago, we accepted the principle that the pensions granted under a number of plans should be escalated so as to prevent the rising cost of living from eroding the purchasing power of the pension. This makes sense. Retired people should be protected against inflation and against a lowering of their standard of living by this method. As a result, after accepting the principle, we applied it to a number of pension plans which come under our jurisdiction. It now applies to the pensions of retired civil servants, retired RCMP personnel, retired armed forces personnel and retired Members of Parliament.

If these groups are entitled to pension escalation because of the rising cost of living, then this principle should be applied also to the basic old age security pension. The total income of the pensioners who receive the basic old age security pension plus part of the supplement is not nearly sufficient. The maximum amount a single individual can now obtain with the basic pension of $80 plus the full supplement of $55 is a total of $135 a month. No one can live adequately on this amount, especially in those areas where rents take such a large chunk of the pension cheque. It is high time we set an adequate minimum income level for Canadians and made certain that all Canadians receive it. This is a special need of those whom we class as our senior citizens because they have little chance to supplement their income once they reach retirement age.

We had hoped to see an old age security pension of $150 a month, with a supplement for those who have no additional income. The present legislation falls far short of this goal. We also hoped there would be a provision to fully cover any future increase in living costs. We find that this is not to be, insofar as the group of senior citizens who receive only the basic pension is concerned.

I shall not spend a great deal of time dealing with the other aspects of the bill. Other members in the various parties have spoken concerning the number of people affected by this legislation. Other deficiencies in the legislation have been pointed out. It is my hope that in the committee some amendments will be made to the legislation which will be acceptable to all parties in this House. If these amendments are not forthcoming through committee examination, then it is assumed that a number of amendments will be moved when the bill returns to the House of Commons. When the bill returns to the House we will have an opportunity to deal in more detail with those clauses which we feel require amendment.

In closing, I suggest that the lack of an adequate basic pension increase is a disgrace. Surely, Canada can do better than set the pension at the level of $80. Surely, Canada, which has one of the highest standards of living in the world, can devise a means to make certain that the total income of this nation is distributed a little more fairly than this piece of legislation does. Let me say this: You are not going to satisfy the old age pensioners and we do not intend to stop fighting for a pension which will come closer to meeting their needs than does the niggardly approach this government has taken.

Mr. Pepin: You have done this for 30 years now. All you do is continually ask for more.

Mr. Speaker: Order, please.

Mr. Harding: It is alright, Mr. Speaker; we do not mind the minister complaining about the fact that this party fights for the underprivileged in this country. We will continue to do this. We will continue to fight until we reach the stage where the poverty line in this country disappears and we do not have to be needling this government year in and year out to do its job. Under a just society you have objectives and aims, and you should be moving in that direction; but you are not doing it. That is why we are calling for action today.

• (3:30 p.m.)

Mr. Béchard: That is what we are doing.

Mr. Harding: We see people who talk of progress, and are supposed to be progressive in their outlook, allowing standards such as this to be legislated in 1970 in Canada.

In closing, may I say that I think it is a disgrace that we are going to offer to our senior citizens a basic pension of $80. It is amazing that we can do so much for other groups of pensioners, but just because these people have not the power to use a lever on this government, members of the government sit back and go to sleep. I am very disappointed that the minister and the government, after months and months of considering income security for all Canadians, would come down with legislation such as this which makes the poor subsidize the poor. You have had reports on tax reform, so why do you not use some of them to give the senior citizens of our country the break which they should have had many years ago?

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I will speak briefly. The essential points in this debate have been made but, as is the case with most debates in this place and in committees, the central points are made, the logic is acknowledged, the facts are

accepted, and then no change is made in the legislation. Continuing with the age old tradition of trying, I will make a few observations.

What are the essential points in the new legislation? First of all, the basic pension will be increased phenomenally from $79.58 to $80. If there were no legislation, there would have been a phenomenal increase to $81.17. Second, the escalator clause has been removed from the basic pension, the magnanimous escalator clause that does not keep pace with the actual cost of living for pensioners who have to live in a society where the rate of inflation goes beyond 2 per cent each year. Third, there was the big increase in GIS so loudly and proudly proclaimed by the government. What is the amount of this increase? For a single person, the increase is $23 and for a married couple it is $32.

What does this fantastic increase mean for pensioners who qualify? Let us keep in mind that they do not qualify unless they earn less than $110 a month. It means they get this additional money, but under the new legislation this increase will put them into the category of those who have to pay income tax. When you put these two facts together, you will discover that the elderly people who have spent their working lives in this country will live in 1970 at the poverty level. There are thousands of them who, with this announced increase in pension, will barely eke out an existence, whether they live in big cities, small towns or in the country. Yet, government spokesmen have pointed to this action with great pride.

The financing of this parsimonious and cruel measure, as has already been pointed out, comes in the main from the poor themselves. I should correct that in part, the money will come—

Mr. Munro: Would the hon. member permit me to ask him a question? He mentioned the fact that old age pensioners who receive $110 a month would be disqualified. He means, disqualified from what? Does he mean disqualified from receiving the GIS? Does he realize that on top of the $110 they would receive the universal pension of $80, making $190?

Mr. Broadbent: I hope the minister realizes that even if pensioners receive $110 and then receive their pension in addition to that, they have to pay income tax so, actually they will still be living at the poverty level. That is the point I am trying to make, and I hope the minister will take note of it.

Mr. Munro: There is not much tax on that amount.

Mr. Gilbert: But the total pension is still below the poverty level. That is why there is the FRAP organization in Montreal.

Mr. Broadbent: The money comes not from increased taxes on all those in Canada who are affluent—and I would include all Members of Parliament in that category—nor, even from increased taxes on the average person. It will really come from the old age security fund itself. That is to say, the parsimonious increase that has been granted to our elderly citizens will be provided for by other elderly citizens who themselves have real need of that money. What is needed instead, as the hon. member for Broadview (Mr. Gilbert), the hon. member for Winnipeg North Centre (Mr. Knowles) as well as many others have pointed out, is a substantial increase in the pension, at least up to a level that would take all our elderly citizens out of poverty.

The proposal that we made was to increase the pension up to $150 for all those over 65, and to add to that an escalator clause which would correspond in its effect to the real increase in the cost of living. This proposal should be financed by a redistribution of income in the country, that is by increases in taxes on all those of us who can afford to pay such increases and not by taking money from the old age pension fund which is already in existence.

I will conclude by saying simply that the minister comes from a town noted for the manufacture of steel. As all people know, steel is cold, hard and inflexible. I should like to suggest that the minister and his government are revealing an attitude toward the elderly people of Canada which corresponds very well to the best known product of his home town. It is cold, hard and inflexible.

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

Mr. Gilbert: May I rise on a point of order, Mr. Speaker? I think it is the custom before the debate closes for the minister to answer any of the questions that have been asked in speeches by hon. members. Even though he is not bound by the rules to do so, this is a custom and a courtesy that ministers follow. I would expect this minister to comply with it.

Mr. Speaker: As the hon. member knows, there is no such rule. It may be a practice, although it is certainly not a universally accepted practice. There are instances where the minister does close the debate. The only rule is that if the minister chooses to take part in the debate and speaks a second time, this second contribution closes the debate. But that is left entirely to the discretion of the minister. Is it the pleasure of the House to adopt the said motion?

• (3:40 p.m.)

Some hon. Members: On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

* * *

REGIONAL DEVELOPMENT INCENTIVES ACT

PROVISION OF SPECIAL DEVELOPMENT INCENTIVE, LOAN GUARANTEE, ETC.

Hon. Jean Marchand (Minister of Regional Economic Expansion) moved that Bill C-205, to amend the Regional

Development Incentives Act, be read the second time and referred to the Standing Committee on Regional Development.

He said: Mr. Speaker, the purpose of the legislation before us is to increase employment by broadening and strengthening our industrial development incentives.

There are two main proposals. One is to introduce a system of loan guarantees to operate in conjunction with incentive grants. The other is to provide a special incentive on a short-term basis, designed to give a particular stimulus to get new industrial projects moving in the next year or two.

The loan guarantees will become a full and permanent part of the program, that is to say, they will be available as long as the legislation is in force and in all of the designated regions. I hope and expect that they will develop into a significant instrument of economic expansion policy.

[*Translation*]

Several small businesses complain because they are unable to borrow at reasonable terms, even when their plans are good, but we are ready to help them. We want to test a new kind of assistance. When the carrying out of a project requires more funds then can be borrowed at reasonable terms, we will be in a position to guarantee that part of the loan exceeding the amount a bank or any other lender would normally have granted.

In general, large businesses can quite easily borrow if need be. It is not so for small businesses, especially in depressed areas of the country. We are ready to take certain risks to help small Canadian businesses establish themselves where there is a more urgent need of employment.

The ceiling of the loan will be 80 per cent of the total of the fixed investments made by the company, following deduction of any development grant or any kind of assistance from any public power. As long as the loan does not exceed that limit, we will be ready to guarantee part of it.

Service industries as well as manufacturing and processing plants may take advantage of that guarantee. In areas where expnsion is slow, service industries may not have the same difficulties as manufacturing or processing industries, but they still have problems getting capital.

Of course we could not guarantee all loans incurred by a multiplicity of small businesses or motels in designated areas. We will now be required by the act to define the areas where the establishment or large commercial concerns can contribute considerably to the economic expansion of slow growth areas. For instance, this could mean administration buildings, stores, convention centres and hotels.

[*English*]

In short, the bill's provisions for loan guarantees will both increase the scope of our encouragement to development and make it more effective. In manufacturing, that will be especially true for small and new enterprises that have great difficulty in getting money for projects that big companies finance easily out of their own resources.

The loan guarantees may also be especially helpful to existing plants that need to modernize or go out of business. Often, the biggest part of the expense in such cases is not so much the new equipment as the cost of re-organizing the existing plant and operations. Borrowing money in such situations can be particularly difficult. There may be an especially large role for the guarantees in helping plants to re-organize and modernize and thereby preserving jobs that would otherwise be lost.

I would like to refer at this point to the criticisms made by some people, who usually come from the regions of comparatively fast economic growth, because we provide incentives to foreign controlled companies. These critics should be reminded that we do not provide incentives in order to be nice to any company, whoever owns it. We provide incentives for the sake of the people who will get employment or, in the case of a modernization, whose jobs will be made more secure.

Whether we should have any different policy towards foreign controlled corporations is an important national issue—but it is a national issue. If we want to make changes in policy we must make them in all parts of Canada. We can, if we like, have new rules that apply wherever a plant is located. But that would not alter the importance of encouraging industry in the regions where extra jobs are especially important. That encouragement should be given in the same way to all projects in the slow-growth regions; any rules or policies about ownership and control should be national in application. In other words, if some hon. members want to attack foreign corporations, that is an issue to discuss on its merits. But it should not be used as an excuse for attacking regional policy. However our industry is controlled, there is and will be just the same reason to give it special encouragement where people have the greatest need for it.

I turn now to the second main proposal of this bill, which is designed to give particular encouragement to industry to get ahead with investments in the next year or two. The plants will have to be built and be in production by the end of 1973. The special development incentive proposed in these cases will be a maximum of 10 per cent of capital costs in the case of expansions and modernizations of existing plants. For new plants or for expansions to produce new products, the maximum will be 10 per cent of capital costs plus $2,000 per job.

In the Atlantic provinces, the special incentive will be available in addition to the present incentive. The maximum will, therefore, become 30 per cent of capital costs for expansions and modernizations, and for new plants the maximum will be 35 per cent of capital costs plus $7,000 per job.

[*Translation*]

In the already designated areas of Quebec, Ontario and the four western provinces, the grants will remain unchanged.

Immediately after Parliament will have approved those measures, we intend to designate a new area covering all

of the not yet designated territory of south-western Quebec including Montreal and Hull as well as Stormont, Glengarry and Prescott counties in south-eastern Ontario.

The present incentives will not apply in the sector which lies within the main Canadian industrial zone; if the situation is considered on a long-term basis, no grants will be required. However, by resorting to special incentives we want to speed up the implementation of new projects and in doing so, to cope with the alarming unemployment conditions. This is why this new area will be entitled to the new grants set at 10 per cent of capital costs and at $2,000 per job created.

Needless to say, this new guarantee system will apply in this area just as they do in the other designated areas.

[*English*]

Since the special incentive will be particularly helpful within the province of Quebec, it is important that I dispose of some inaccurate statements that have been made about the operations of the incentives program to date. There have been suggestions in some quarters that favouritism is already being shown to Quebec. I do not know whether the people who make these suggestions—these are probably the same people who say, "If you want to solve the problems in Quebec you should solve the economic problems there," and when we solve them then they say we have favoured Quebec—are incapable of doing arithmetic or whether they are trying to stir up antagonisms by deliberate misrepresentations. Certainly, one or other of those explanations must be correct, since the facts are quite contrary to the accusations.

Let me state the facts. From the beginning of the program to the end of November, we have committed $91 million in offers which have been accepted by the companies concerned. Of this $91 million, just over a third or $32 million, is committed to industries in Quebec. Slightly more, $34 million, is committed to industries in the four Atlantic provinces.

• (3:50 p.m.)

The purpose of the program is to increase employment. The latest figures, for October, show that there were then 34,000 unemployed people in the Atlantic provinces, and in Quebec the number of unemployed was 159,000. In other words, at present what we have committed in incentives in Quebec is almost exactly $200 per unemployed person, and in the Atlantic provinces it is almost $1,000 per unemployed person, five times as much. I may add that the same calculation for the prairies works out at $250 per unemployed person, a little more than the figure for Quebec.

Of course, there is nothing final about these comparisons. They will fluctuate considerably from time to time, as major projects materialize in one region or another. Indeed, we have just had an offer accepted that will greatly increase the figure for the Prairies. Certainly, we expect to do much more for Quebec over the next few months. The reason is that, in relation to the severity of the unemployment problem, the program has as yet made a relatively small impact in Quebec. Anyone who claims that it is already biased in favour of Quebec is not telling the truth. What we are trying to do is to meet the needs as well as we can, wherever they are greatest. For a program so new, operating in the circumstances of a general slowdown in the economy, we have already had a fair measure of success. We are going to achieve much more success.

The two main proposals for this purpose are the loan guarantees and the special incentive. The bill before the House also proposes some minor and consequential amendments to the program. For example, the introduction of the special incentive makes it important to lengthen, from 12 months to 18 months, the time that companies will have to get a plant into production after a region ceases to be designated. This will simplify administration if it should prove desirable to change the boundaries of the regions.

Also, we propose to remove the absolute limit of $12 million on the size of any development incentive. This only affects plants employing more than 400 people, because the limit of $30,000 per job directly created in the plant will continue to apply. That, I would emphasize, is the absolute limit for developments with the most intensive use of capital. The incentives we are actually paying generally cost a great deal less. The projects under way to date will provide 15,949 permanent jobs. The average, for the offers accepted so far, is $5,700 per job.

I emphasize that these 15,949 permanent jobs are simply the new jobs that will be created directly in the industries we are assisting. The figure does not include any credit for the existing jobs that will be preserved by modernization of plants. It is entirely new, direct employment. It does not include employment in constructing the new factories and equipment; it does not include the indirect employment that will arise as the plants come into production and buy materials and services, and it does not include all the extra jobs that there will be in the consumer industries when the workers in the new plants spend their wages.

The economists tell us that these indirect effects add up to about two additional jobs for each one created directly. In other words, the legislation that this House passed in the summer of last year has already set in motion the creation, in total, of about 48,000 jobs.

Mr. Danforth: Oh boy—that is in theory.

Mr. Marchand: I am the first to say that in the present state of our economy, that is far from enough.

Mr. Gilbert: Right.

Mr. Marchand (Langelier): I found that out before you did. It is a good start. But we have to continue. We have to continue on a bigger scale. That is the reason for this amending legislation. I hope and believe that it will have the support of all hon. members of this House.

[*Translation*]

Mr. Speaker, the launching of the new development incentives program in summer 1969 meant a considerable

amount of work for department officials. The improvements proposed in the bill entail a lot of work and we shall have to increase the personnel. The decisions will get increasingly more complex and important. That is why I suggest the creation of a board comprising senior officials of my department, representatives of the Department of Finance and the Department of Industry, Trade and Commerce, as well as specialists from the private sector. Thus we shall be able to see to it that this most important program give the best possible results.

When we initiated the present program less than 18 months ago, many people were skeptical, and rightly so, about the chances this unprecedented measure had to succeed.

We had to learn from experience and that explains why we made mistakes. Yet I believe the program indubitably meets the present needs and produces excellent results. The amendments I propose have no other purpose than make it more efficient.

[*English*]

Mr. James A. McGrath (St. John's East): Mr. Speaker, I listened with interest to the minister's introduction to what we consider to be a most important bill, but he did not tell us very much. We had already read the press release from the minister explaining the proposed amendments to the bill. For what little enlightenment we gained, he could have dispensed with the speech which he made today.

Mr. Bell: Hear, hear!

Mr. Béchard: They are never satisfied.

Mr. McGrath: We have considered this to be a most important bill for a number of reasons. First of all, it is the first time that this act has been opened by Parliament since originally passed. The act has now been in operation for a full year, so we will want to examine it from that viewpoint. Secondly, Mr. Speaker, we are naturally very interested in examining the full intent of the amendments proposed by the government. I might say that we on this side of the House do not agree with the government's concept of regional expansion embodied in this bill. We will enlarge on this during the course of the debate and during the clause by clause examination in committee.

The bill is a relatively simple one, but the principle is very important and complex and it is on this principle that we want to examine the government very closely and carefully. The mechanics of the amendments can be dispensed with very quickly. Mr. Speaker, we want to question the minister's estimate of the number of jobs that have been created. I am very anxious to get into that and anxious to analyze the figure of 48,000 jobs. I should like to know how the government arrived at that figure.

• (4:00 p.m.)

What I consider the most startling failure of the government's regional development policy is its inability to come to grips with the fundamental problems of regional disparity in this country. After all, this is what the bill is supposed to do, together with legislation setting up the minister's department. This fundamental problem of development, sir, involves the question of ways in which the federal government contributes to the fulfilment of a given region's potential, in order that the citizens of that region can enjoy a standard and quality of life which meets an acceptable level.

In my view, Sir, this goal can only be accomplished if the first premise of any development strategy for Canada is based on the fact that Canada is comprised of five different economic regions, five regions with different potentials and different economic aspirations. It is only by approaching regional development from the standpoint of this premise that we can hope to meet with any degree of success. A strong national economic policy dedicated to full employment can only be successful if the economic realities of Canada dictate the development policy followed by the government. This regional concept of our economy is an economic fact of life in Canada, and one which this government will sooner or later have to recognize.

A strong national economic policy means a prosperous economy for Ontario and it means prosperity for the other industrial regions of Canada. A strong and prosperous Ontario or a strong and prosperous Quebec mean that the federal government and the national economy are better equipped to assist the disadvantaged regions of the country. Increased assistance to the disadvantaged areas of Canada is only possible if full employment is a national policy for all Canada. It therefore follows, Sir, that a strong national economy and our ability to assist the disadvantaged areas within Canada amount, of course, to the same thing. We believe, Mr. Speaker, that the co-ordination of development with stability means prosperity for all the regions of Canada. We believe that this approach must, of necessity, dictate the government's attitude towards regional development.

There are many aspects of the bill before the House, which embodies the main thrust of the government's regional development policy or the government's program for dealing with regional disparities in this country, that we shall want to examine. We shall want to examine the bill carefully in committee and hear expert witnesses who will be able to enlighten us about the proper approach that we ought to take in this country in order to achieve a meaningful regional development policy. Above all, the government must set for itself guidelines in order to meet the demands of regional development and to end regional disparities in this country.

We feel that the first guideline must be the recognition that the provinces, municipalities and regional agencies involved in any regional development plan know what is best for them. We believe that the regions of the country are in the best position to tell the government exactly what form of development is best suited to that particular regional economy. I say that, notwithstanding the fact that the Minister of Regional Economic Expansion (Mr. Marchand) has built up a virtual army of experts,

bureaucrats and technocrats in Ottawa and all across this country. These so-called experts, well meaning though they are, fail to take full advantage of the expertise in the provinces, municipalities and regional agencies of this country. We believe that it is appropriate, and indeed necessary, for each region to develop its own view of its own potential. This view would, of course, be based upon the economic capabilities of the region and the kind of life that the citizens of the region wish to live. We believe that present government policy fails to take these factors into account. What is good for Montreal or southeastern Ontario is not necessarily good for Cape Breton Island or Newfoundland.

Some hon. Members: Hear, hear.

Mr. McGrath: Second, the keynote of any development strategy should include, in our view, a uniform approach to the problems of education, health and housing facilities, which should be standard for all Canadians and should be a right of citizenship in this country. Each region has a responsibility to its citizens to ensure that they have adequate health and housing facilities. These facilities must be made available in all areas and in all regions.

Third, Mr. Speaker, we believe that regional economic development is based upon regional potential and not a region's imperfect ability to copy the economic potential of another region. We believe this area is one of the main weaknesses of the government's approach to regional development in this country. This government has embarked upon a national policy of development through industrialization. The government has attempted to assist industries to locate in designated areas or slow-growth centres and by doing that it has ignored three fundamental facts.

First, it has ignored the fact that the location of industries under the area industrial incentives Act, or under this program, is at the intiative of the industry and not of the government. Neither the federal government nor any other government exercises any of this initiative. The initiative is placed solely in the hands of industry. Industry may locate in any of the designated regions of the country. As a matter of fact, industry now has the whole country from which to choose. Consequently, the disadvantaged regions lying at the geographic extremes of the country—areas such as the Atlantic provinces, certain parts of the north and northern Ontario—do not stand a chance. They just cannot compete, and there is no way in which they can compete.

Second, all such industrialization is bilateral between the industry and the federal government. In other words, the province does not, of necessity, come into the picture. The federal government makes the move by providing the incentive, and it can only hope that the industry in question will establish itself in any particular designated area. As I have said, an industry has practically all Canada from which to choose. This state of affairs is a basic failure of the program. This fact becomes self evident when anyone gives close scrutiny to the program that is contemplated by this measure.

Third, Sir, the type of industry that may be encouraged by virtue of the grant may not be the type of industry that can be properly sustained in the area in which it locates. For example, there is no point in building an automobile plant in northern Newfoundland. It would be too far away from major markets. Transportation difficulties are inherent in such locations. Yet this factor has all too often been ignored because the government does not possess the initiative; the initiative is in the hands of industry to locate where it will. The program should take into account the recreation or resource development of the area. This should be a guiding factor in the government's program. Hence, we get an expansion of the regional approach to this question instead of a national blanket approach such as the government proceeds to follow by trial and error.

• (4:10 p.m.)

We believe that provincial and local governments must participate in the planning of development strategy. Thus far, they have been largely ignored. We firmly believe that one federal strategy for development is neither possible nor desirable, with five unique economic regions. a multiple strategy is necessary. Accordingly, we must examine the intent of this area incentives legislation and we must examine closely the record of the act to date.

Fourth, regional development strategy in our view should harmonize with national economic management. The government has embarked on a nationwide campaign to control inflation. We all know the consequences of this campaign. By the use of its fiscal and monetary levers, the government forced the have-not provinces to pay a price altogether out of proportion to the contribution they made to the inflationary spiral in the first place. Consequently, there is disproportionately high unemployment in the areas which contributed least to inflation. This is why there is an anticipated unemployment figure in the Atlantic provinces of 14 per cent this winter. God knows how high it will go. It will certainly exceed that amount. In my own province of Newfoundland, it will probably reach 18 per cent or even 20 per cent. It is the have-not provinces which pay the piper for the tune this government calls in trying to fight inflation. I am of the opinion that the government has failed to take this into account when determining its monetary and fiscal policy. It has failed to harmonize these efforts with its regional development program.

To sum up, we believe the designated area concepts have been too generally applied. The result is that the disadvantaged regions of Canada receive no help, or very little help, in attracting industry. No one will quarrel with the designation of southeastern Ontario; no one will quarrel with the designation of the City of Montreal and the City of Hull. God knows, these cities need help. We know how alarmingly high unemployment has become in the City of Montreal, and we know something has to be done about it. Perhaps the government should have given consideration to making these places special areas instead of designated areas so that there could have been a more concentrated and dramatic approach to the problem. I

notice the minister nods his head. Unfortunately, that nod is not recorded in *Hansard*.

Mr. Bell: It is now.

Mr. McGrath: I hope the minister will enlarge upon this aspect, because we realize there are serious problems in Montreal. I have no doubt, though, that there is also a serious problem in Vancouver where there is a high rate of unemployment. How will Vancouver react? I am sure that if the figures were examined it would be found there was serious unemployment in Edmonton and in Toronto. The situation requires that a special development program be implemented. But I ask that the government should heed the consequences to the Atlantic provinces, to northern Ontario and to some of the prairie regions of this country by his designation of Montreal. Surely, in the first instance, the concept was to enable the regions I have mentioned to compete with large industrial areas such as Montreal. It must be logical, then, to suggest that what the minister has done has been to defeat the very purpose of the act. And this is unfortunate for the Atlantic provinces, especially.

Reaction has already come from the Atlantic provinces economic council and from the government of New Brunswick. I hope that when this bill goes before the committee witnesses from these areas will be able to tell the committee and, hopefully, the minister, exactly what this will mean in terms of the government's regional development policy.

Furthermore, we believe the act fails to give the government control of the development process. Under the program as now set up, the government is merely a passive agent. The legislation has been operated in such a way that provincial governments, municipal governments and local bodies have been largely ignored. Yet the minister tells us that we must continue on a basis of trial and error. I contend that there is no need to continue on such a basis. I suggest to the minister, and to his senior officials, that if they were more willing to consult with provincial agencies, planning boards and municipal councils a lot of these errors would be eliminated. A little humility on the part of the department would help greatly.

Finally, we believe this act has not been fully selective in its application and that it has failed to recognize the economic facts of life in this country. These facts dictate that there must be a regional approach to regional disparity and not one blanket national approach as this government insists.

Mr. John Burton (Regina East): Mr. Speaker, I am happy to have an opportunity to say a few words on this bill on behalf of members of the New Democratic Party. Bill C-205 provides for a number of important changes in the Regional Development Incentives Act and it would appear to be, as the minister indicated, a major component of the government's program to improve economic conditions in Quebec.

To the extent that it may accomplish something useful in this regard we welcome it, but because of factors I shall be discussing later I have serious doubt whether it will accomplish the desired end. Some of the provisions of this bill require close examination. But before we analyse the specific proposals and get into the nuts and bolts of the bill, it is necessary to take a good look at the government's regional development programs and their relationship to general economic policy.

• (4:20 p.m.)

Regional development programs were presented by the government as a major weapon in the so-called war on poverty. The government introduced its programs with widespread support throughout Canada, as well as from all parties in the House of Commons. Few ministers have been as fortunate as the Minister of Regional Economic Expansion (Mr. Marchand) in the extent of the support that he received for his new program.

It will be generally recognized that instant solutions are not possible in dealing with the types of problems that are tackled in regional development programs. However, the new program, which has been developed on the experience of the old area incentive development program, has been in effect for a year and a half, and Canadians have the right to ask just how that program has been operating. A great deal of money has been made available to this department, contrary to the experiences of other departments and, I suspect, to the envy of some of them. But we must now ask whether we are receiving value for our expenditures, whether these funds are being used in the best possible way.

The minister's remarks in the debate on November 19 gave us part of the answer. He indicated that under all incentive programs to date there had been an investment of $1.1 billion, $205 million of which had been provided through grants. Some 36,000 new jobs were claimed, both directly and indirectly, consequential upon the incentive grants made available. However, as I understood it, direct jobs were only in the order of some 15,000. The fact is that many of these new plants are not yet in operation, and some may never be in operation. Furthermore, the minister admitted that some new plants were constructed independently of incentives. I suggest the record is a pretty sorry one. In terms of number of jobs created, the performance has been pretty dismal when related to the unemployment figures revealed today showing 476,000 people out of work in November, 1970.

It seems to me that one of the problems we are contending with in the government's program is the ad hoc approach that is being used in many instances. The government seems to have dashed in here and dashed in there in order to help put out economic fires of one sort or another. Very often they used a single program approach centred for the most part on industrial incentives, industrial incentives restricted mainly to secondary manufacturing industries.

We now have the special Quebec program that is designed to deal with problems with which we are all familiar and which have been discussed at great length in recent months. With regard to the remarks made by the minister, I want to make it quite clear that any

questions that we ask about this bill are not complaints or criticisms of favouritism to Quebec. We have some very important questions with regard to whether or not this measure will accomplish the objectives the government has in mind, and whether it will deal with the economic problems that are one major component of the over-all problem facing this particular part of Canada. We are also wondering whether this program will in fact make a significant contribution, the contribution expected of it, to solving these problems. Secondly, there are some very important problems in other parts of Canada which we feel are deserving also of attention by the federal government.

Reference was made this afternoon, as it was in earlier debates during the current session, to the designation of regions across Canada. Wide areas of Canada are now being brought under the umbrella of the legislation and are being stamped either as designated areas or special areas. Therefore, it is important to take a minute or two to examine the government's record in this respect. We should see what it has done and relate it to some of the things that were said at the time the program was being introduced.

I was particularly interested in this matter, because, as a member from Saskatchewan I was very much aware of the particular problems facing Saskatchewan during the past two or three years. Consequently, I made representations to the minister, asking that there be an extension of designated areas in the province of Saskatchewan. In this regard I wrote the Minister of Regional Economic Expansion a letter on October 6, 1969, in which I pointed out:

> My particular concern is for the province of Saskatchewan which, as you will know, is experiencing acute economic difficulties at the present time. Income levels and economic activity in Saskatchewan are currently well below neighbouring provinces and indeed only the Atlantic provinces are now below Saskatchewan in income levels. Additions to grain inventory which do not represent cash in the pocket succeeded in keeping Saskatchewan's level above that of Yukon and Northwest Territories.

I received a very nice letter in reply from the minister, dated November 13, 1969, in which he said:

> I fully appreciate your concern with the difficult economic problems facing Saskatchewan today. I share the concern. Frankly, however, I cannot agree that the attitude expressed in the news release which you sent to me will be the most effective in solving the problems.

That refers to some comments I had made and which I had enclosed with my letter:

> The incentives program is only one of a number of measures that need to be used. Important as it is, I would not pretend for a moment that it alone can solve all of the problems that we are trying to attack across the country.

I agree wholeheartedly with that statement, as I shall indicate during the course of my remarks. Then, further on in his letter, the minister made this comment in turning down my request that there be an extension of the designated regions in Saskatchewan:

> It is the nature of industrial incentives that, the more widely they are spread, the less they will do for the areas where they are the most important of the possible programs.

> Accordingly, what we tried to do in our designations was to use our available funds most effectively to produce across the country the best possible balance of results for Canadians whose employment opportunities could not be improved without the incentives.

That is a very laudable approach. However, it seems that the minister uses one approach one time when it suits his purpose to do so, and another approach another time.

In looking at the general approach used by the government and examining the inconsistencies that have been apparent over the past year and a half, it is interesting to note what the minister said when the regional development incentive legislation was before the regional development committee. On April 15 he was asked some questions by, among others, myself as a member of the committee with regard to the designation of areas across Canada. One of the comments made by the minister is the following, to be found at page 3:62 of the committee report:

> You know this is a very touchy point and this is the really difficult part of this program because the more you extend it, the more you weaken it. Manitoba asked for the whole province to be designated. All those cities that are not designated, of course want to be designated. I think only Montreal and Toronto have not asked to be designated. You can make a very good case for a municipality which is outside any limit you make. There is no doubt about that. We have to get used to hearing from people who are not satisfied with the borderlines. I know every day I received complaints and there are good cases; there is no doubt about that, but if we start extending it indefinitely it would become meaningless. It is a difficult point and I am sure many can prove to us that we should include this city and this other one. We have no reason other than if we extend it too much, it will become meaningless. It is difficult and politically it is very difficult too, but anyhow this is the purpose of the program. We have to stick to our guns.

• (4:30 p.m.)

Again, on April 15, 1970, the minister made some other comments before the committee when he was discussing the legislation. They are reported at page 3:15 of the proceedings of the Regional Development Committee:

> There is no definite or very precise criteria and we cannot say that we were not wrong in some cases. We do not know. The future only will tell. Our decision was based on this general philosophy, except the designation of some small areas, mainly in Newfoundland, where we designated special areas for purposes of resettlement. We cannot say that those resettlements were growth centres in themselves. It was for a particular purpose. At least the government of Newfoundland agreed with us. So this is the way we have approached the problem and this is the principle on which we based our decisions.

Then, in answer to a question by the hon. member for St. John's East (Mr. McGrath), in respect of Cornwall, Ontario, which is now to be included as a designated area, the minister replied as follows:

> Cornwall is located in a very prosperous region of Canada. Cornwall has some difficulties mainly because of the situation in the textile industry. I do not think that the solution for Cornwall is to make a special area out of Cornwall. It is to see how we can solve the textile problem in Canada. I do not believe that Cornwall is say in the same situation as certain areas which were designated special areas. This town has been affected by one industry. It is the textile industry. And if we do not find a solution to the whole industry in Canada, I do not think that even if we designate Cornwall as a special area, if we do not find a solution to the whole problem.

It is very interesting to read the comments made by the Minister of Regional Economic Expansion in light of his subsequent announcement. I want to make it clear that I have every sympathy with the problems facing the city of Cornwall. I am not questioning the designation of that area, but it seems to me there have been some important inconsistencies in the approach of the government to this particular matter since the regional development legislation has come into effect.

I think we do have to examine the objectives of the program. It is intended to eliminate regional disparities across Canada and to develop the human and resources potential in all regions of this country. Reference has already been made to the regional nature and structure of the economy. In addition I would suggest, and it is important, that more stress be put on the objective of reducing inequalities in wealth. I recognize, of course, that this does not involve only programs of the Department of Regional Economic Expansion, but that the programs of that department must be complemented by other government policies designed to reduce inequalities of wealth. I think it is very important to keep in mind when drafting regional development programs that we do not simply perpetuate or possibly even extend the inequalities which exist within some of the regions of Canada that we are trying to help through these programs.

I should like to examine for a few minutes the operation of the regional development programs of the government as I see them from my own point of view and from the information that has been made available to the members of the House of Commons. Certainly, I feel this is a matter that should receive a good deal of attention from the members as it is a very important area of policy. When we take a look at the policies developed by the government over the past few years, there are three different areas we need to question and examine.

The first basic area has to do with the assumptions on which the government has developed and formulated its programs. Second, we have to take a look at the basic framework of these programs which have been, and still are, in the course of development. Third, we must take a look at some of the problems involved in implementing these programs. These problems, involving the nuts and bolts of the function, are also important in themselves.

To return to the first problem, it seems to me that the very first assumption upon which this program is based needs to be examined, that is, the assumption upon which the government's over-all economic policy is based. I have in mind the government's anti-inflationary policy which allowed a high level of unemployment to develop in Canada. This is a matter which has been debated at great length in the House of Commons. I want to say that I have some sympathy for the minister because I feel it is impossible for the minister and his department to develop a sound regional development program when, in fact, it is cast within the framework of a total economic policy which is inadequate and which allows unemployment to develop and exist across Canada. It seems to me that in such a framework, and within such a situation, it is impossible to have a regional development program that will do the job. It seems to me this is the first basic fault we find when we look at some of the basic assumptions involved in developing such a program.

The second basic problem is the absence of any sort of planning framework. I have already dealt with this in part. In fact, we have had a good deal of ad hocery, if I may use that phrase, in developing regional development programs. In this particular program some other gimmicks have been developed to help deal with problems in various parts of Canada. Much of the program which has been developed has been developed in the absence of any sort of planning approach, or any comprehensive framework. I have no doubt that some work has been done in this area. I certainly expect that is the case, but I feel this has not come through as yet in any program we have before us at the present time.

The third major function which I find at fault in the program of the government is its blind faith in relying upon the private enterprise sector of the economy to deal with this particular problem. Of course, the government's reliance and faith is demonstrated by the fact that the greater part of this money is being spent in the form of grants to private industry. I am not saying all of these are necessarily bad and there is not need for such a program, but we do have some very fundamental problems when we give away huge amounts of money in the form of grants to private industry because we have no control over the development of these industries. Actually, we have only a very short-run type of control over development and over what happens in these industries.

It is very important to know that what we are dealing with is the well being and welfare of the people. We must examine this within a broad context as well as within its more narrow limits. The minister has indicated in answer to questions from time to time, as noted recently by my colleague, the hon. member for Waterloo (Mr. Saltsman) during another debate, that in some areas of the country the government would provide assistance to the level of 35 per cent of capital costs, plus whatever other assistance is made available in terms of the number of jobs created through new development.

I am not arguing against giving special help to particular areas of Canada, but I want to draw attention to the reliance being placed on private enterprise and the corporate sector of the economy to deal with problems of regional development. I suggest the government's program is doomed to failure as long as it persists in this approach. It is simply unworkable and will not provide an answer in the long run.

The fourth basic assumption is the government's willingness to allow conflicts in policies relating to existing development. One particular problem, of course, has to do with the approach to the ownership of firms which are provided with financial assistance. A good deal has been said already about the type of assistance which has been granted to foreign corporations through the regional development program. I think this, as well, is a very basic fault. If the Minister of National Revenue (Mr. Gray) is to place before the government, the House of Commons and the people of Canada, any sort of meaningful pro-

gram to deal with the problems of foreign ownership and control in the Canadian economy, then I suggest this willingness on the part of the Department of Regional Economic Expansion to allow grants and allow giveaways to foreign controlled corporations comes into direct conflict with any such program which might be developed in the future.

• (4:40 p.m.)

When we come to the framework of the government's program, I think there are a number of serious problems as well. I believe there are very serious problems in respect of the management of the whole program and the myriad systems in the program which are being developed, such as primary incentives, secondary incentives, special area programs and so on. I suggest that within the framework in which the government has been developing this program, the program has become an unmanageable monstrosity. I suggest further that within the framework of the program itself there has been an inadequate amount of analysis of the projects for which grants are being provided. In terms of the analysis, and in terms of taking a look at the operations, one might find there are a number of operations in respect of which the real purpose of obtaining a grant or extra assistance is to bail out other types of operations.

Is there any prohibition against a new company being established which may be very legitimate but which may consist of shareholders who also hold shares in some other companies which are experiencing difficulties? This could lead to serious difficulties through the new company taking over the shares of the other companies and operating them as a subsidiary of the new company. By this means, it could engage in a bail-out operation which would be of no benefit to the people of Canada or the new shareholders who may eventually become involved in the operation.

Also, I believe it is very important that the government take a look at the economics of the projects it intends to assist. All projects should be subject to an economic criteria and analysis in order to make sure that the project is economically sound, because I do not think it is wise to assist a project which is not viable in the first place. In some respects it might be a disservice to a group of people in the long run if assistance were provided for a project which has no hope of surviving.

I have already dealt with one other aspect involved within the framework of the operation of this program and which has to do with policy with regard to foreign ownership and control of various companies. I also have some questions in my mind concerning what requirements are being placed on firms which receive grants with respect to pollution control. I know there is provision within the legislation to make sure that companies which receive assistance under these programs do follow adequate pollution control measures, but is there any sort of follow-through to this? Is this, in fact, being done in the operation of the department?

Finally, within the framework of the program as it is being developed, we must be concerned about the fact that there is no real strategy in terms of developing the infrastructure for adequate communities. To some extent, this is being done now in certain areas and possibly is in mind in respect of some of the special areas which have been established. I realize that some steps are being taken in this direction. It would seem to me, however, that grants are being provided willy-nilly on the basis of applications from this or that firm in many parts of Canada when in fact inadequate attention is being paid to the over-all planning and development of communities.

Finally, I should like to deal with some of the problems involved in the implementation of this legislation. The first problem I might raise, and which I raise only tentatively, is the whole question of the political or partisan political aspect. I want to make quite clear that I believe the minister was sincere in the statements he has made from time to time that he wanted to keep partisan political considerations out of the operations of his department. I feel that he no doubt has made an attempt to carry that into effect. I hope he will continue to do so. Questions may arise in some people's minds from time to time, and I hope there is no cause to follow up on this particular point. I have no direct complaint at this time. Suggestions have been made to me, but I am not prepared to put them in the form of a direct complaint at the present time and I hope I shall not have cause to do so in the future.

With regard to the implementation of the government's program, there is one problem which it seems to me is being raised in the legislation before us. I refer to the fact that the government proposes to remove the ceiling on the extent of the grants which may be provided to various commercial operations or industrial operations. This is a very important change in the program. I realize there are still some limitations which are retained in the legislation, but nevertheless the ceiling is being removed. I think we require more explanation concerning the reasons for this particular step being taken by the government.

Since there has been a ceiling of $12 million, it would seem to me when that ceiling is being removed altogether in respect of one aspect of the total sum that can be made available, some explanation is needed from the minister concerning why this is being done and why it is necessary. I wonder, for instance, if there are proposed operations which may receive more than $12 million in assistance which would not come into existence if there were not this type of assistance available.

With regard to the implementation of the program, there is the problem I have already dealt with concerning the matter of new designations being made now in conflict with the statement of the minister that there would be no more designations until the three year period expired in 1971. There are also problems of lack of consistency in the government's program. As well, I think we must be concerned about the fact that the government from time to time has provided assistance to firms which have engaged in unfair labour practices and which have paid low wages. This is a matter which I feel deserves consideration as well.

Another important problem concerns the fact that there is very little involvement or participation by the

people in the regionally depressed areas who will be affected by the government's regional development program. There is one notable exception which has to do with some of the Newstart programs in various parts of Canada. These programs I feel have made a very important contribution in terms of the participation and involvement of people, and in helping people develop the ability to solve their own problems by taking action on their own initiative. This is a very useful type of program. Possibly I have missed some announcements, but I have not seen any announcement by the government or by the minister concerning future plans for the Newstart programs and whether, in fact, there is a plan to continue these programs either in their present form or through some successor type of organization or structure.

• (4:50 p.m.)

But, I think, coming back to the main problem, there is a feeling in many parts of Canada that in fact there is no real participation by people in dealing with the problems that the department is attempting to tackle. The minister has many able people who are assisting him in the department. They are able, sincere and dedicated and are trying their best to do a good job. I want to make it clear that I am not in any way deprecating the staff he has built up around him in the department. But regardless of how good a staff the minister has, it is simply impossible for him and for his department to do the type of job that is expected unless they find ways and means of involving people in the communities concerned. This is the type of emphasis that I feel the minister must develop with respect to his programs in the future.

Finally, with respect to the implementation of the program, I feel that there has been too little use made of public agencies and of co-operative methods, in attempting to solve economic problems in many parts of Canada. Of course, we have agencies in some areas, such as the Cape Breton Development Corporation, which I think are very healthy types of institutions which can take some initiative in dealing with economic problems in a particular region or area. This type of thing needs to be developed more in the future. There is as well the fact, a point I have made already, that a higher percentage of assistance is given to firms in various parts of Canada under the proposals now before us. If there is to be 35 per cent or 50 per cent public financing in a significant number of projects, then certainly there is a very good case for ensuring that there is public involvement in the decision making and in the whole development of the projects that are involved.

Turning to the specific provisions of this bill, I recognize that some of them are designed to deal with some special problems which have come to the fore in Canada in recent months. I hope they are successful, but I am very dubious that they will in fact do the job expected of them. I am somewhat disappointed that we have had so little in the way of a thorough analysis of the legislation before us and little in the form of an analysis of the Regional Development Incentives Act now that it has been in operation for a year and a half. I have already made some comments with respect to the special development incentive which is provided for in the bill now before us. I have some very grave doubts as to whether that, in fact, will act as any real spur to economic development in areas such as Montreal, southwestern Quebec, and possibly some areas of Ontario as well. Of course, the minister is more familiar with these parts of Canada than I am, but frankly I have to express some reservations whether, within the framework of the government's program as it has been developed—critical as I am of it—this will act as any real spur to development and to the provision of more jobs, particularly for the people in the province of Quebec where some 168,000 people are now out of work.

I was very interested to note that there is an extension of the operations of this legislation in the provision for loan guarantees. I was interested to note that these loan guarantees are to be made available to some service industries. The government, in fact, has made an important departure from policy in that it is going to go beyond the area of secondary industry and is going to assist tertiary industry as well. I am sure the minister will recall that when this legislation was originally before Parliament a year and a half ago, a number of us urged that assistance be made through these incentives both to primary and to tertiary industry based on adequate criteria. I am happy to see that this is now being made available, that the government has learned a little in this respect. I think it is possible that these loan guarantees can fulfil a useful function and that in particular as the minister pointed out in his public announcement that accompanied the introduction of the bill, it will be especially useful to small business.

I hope that that is the way in which these loan guarantees will be used, namely to help small business. In fact, I have some question in my mind as to whether or not some limitation should be built into the bill as it is now before us which would ensure that it could be made available only to a category of business that we might term small business.

Finally, we have questions regarding the lifting of the ceiling on the total amount of grants that can be made. I look forward to hearing what the minister has to say on this matter, whether he feels that this ceiling should be lifted, what purpose will be served, and to what use this particular change will be put. Thus, it will be seen that we have many serious questions that need to be asked about regional development legislation and, the performance of the regional development program over the past year and a half. I look forward to further debate during the course of the second reading of this bill and also in the committee stage, because I feel that these programs are very critical to the future well-being of Canadians. I feel that the programs that have been developed by the government are inadequate and that the bill which is before us today is inadequate because it will not do the job, both within the terms of the bill and of the program as it has been developed as well as within the scope of the government's total economic policy which, as we all know, is totally inadequate.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, may I call it five o'clock?

[*English*]

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

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Comox-Alberni (Mr. Barnett)—Northern Affairs—Reference of land use regulations to standing committee; the hon. member for Champlain (Mr. Matte)—Royal Canadian Mounted Police—Alleged infiltration of FLQ cells; the hon. member for Hillsborough (Mr. Macquarrie)—Post Office—Christmas mail delivery.

PRIVATE MEMBERS' MOTIONS

HEALTH AND WELFARE

REQUEST FOR COPY OF STUDY OF UNDERPRIVILEGED URBAN SECTIONS OF QUEBEC

Mrs. Grace MacInnis (Vancouver Kingsway) moved:

That an order of the House do issue for a copy of the study undertaken by Le Centre de Planification Familiale, Montréal, in the fiscal year 1969-70 funded by the Department of National Health and Welfare on "Projet de recherche auprès du milieu défavorisé urbain Québecois.

She said: Mr. Speaker, it was not in a frivolous way that I asked for the production of this study. For a long time I have been pressing for a much broader program of birth control and for the distribution of information regarding contraceptives, much broader than we have had up to the present time, and I may say much broader than we are likely to get for some little time yet. I am convinced that there is a need for a broad program of public education, a program that would make contraceptives freely available, and a program which would use clinics and mobile clinics travelling from house to house. Such a program is one of the great needs in this country at the present time.

• (5:00 p.m.)

Consequently, Mr. Speaker, when I saw that a study had been carried out by the Department of National Health and Welfare concerning the underprivileged urban sections of Quebec I felt it would add a great deal of information with respect to the need for such a pro-

gram. Unfortunately, when I am speaking today I shall have to draw my material from my own end of the country, simply because the department is following government policy by refusing to make available the information which we need.

We need information from all sections of the country in order to know exactly what we are dealing with, in order to know the different requirements of different areas. It is very tantalizing and frustrating to know that this information exists in government offices and bureaus, and that we cannot get it. It is particularly tantalizing and frustrating when we know it is not the property of the government, when we know that these reports and documents were paid for by the taxpayers of the country. Surely, the taxpayers have a right to have access to this information, particularly at a time when on every hand we find members of the government, commission reports and other documents, stating that we should have the fullest possible information made available to the public on all matters affecting government.

One point I would like to make at the outset about birth control is that as you go down the income scale the need for such a program increases. That is exactly why I wanted to get this report which deals with the least privileged sections of urban Quebec, because in my opinion conditions in urban Quebec should not greatly differ from urban Ontario and urban British Columbia, meaning especially Montreal, Toronto and Vancouver.

I would like to draw the attention of the House to the fact that last spring a brief was presented to the Senate Committee on Poverty by the Family Planning Federation of Canada, which is the English speaking counterpart of Le Centre de Planification Familiale, in Quebec. It pointed out the close and tragic connection between poverty and large families. As an example, it cited a study of Vancouver multi-problem poor families, where one-third of them had one child or more over 15 years of age living apart from the family for reasons of adoption, placement, emotional treatment or delinquency. In other words, in those large multi-problem, poor families, the large family was also the one that incurred breakup and led to the community being saddled with extra expenses. Of course, the family itself was broken and scattered. The Planning Federation commented:

We know that the practice of family planning declines rapidly from the top to the bottom of Canada's socio-economic ladder. The poor are still having the babies, many of them unwanted babies.

In my opinion, while some people may consider abortion a crime, the real crime is the birth of unwanted children, children who from the very moment of their birth are unwanted and condemned to wander in the world alone, uncared for and completely derelict from the beginning. What we need is more democracy in such matters; that is, the right for people on low incomes to have the knowledge and the means to plan and limit their families in the same way as those on higher incomes. Ottawa must take its part in providing funds for the establishment and maintenance of family planning clinics where they are needed across Canada.

To get the information on which to base those clinics, on where to locate them, we must have access to studies that are being kept from this House under lock and key. If birth control is not made available to the people who need it, we shall see an increase in the already far too high incidence of abortion in Canada. For that growing incidence of abortion, the government will have been responsible because of its lack of leadership in making birth control and birth control knowledge available to people across Canada. Lack of birth control means illegal abortion with all the misery, mutilation and death that come with this failure to face the facts of 1970. All the shibboleths, theology and mythology that can be uttered will not get us away from that fact.

These are the reasons I want this report and other reports of a similar character. Let me bring it down to cases, Mr. Speaker. Just the other day I was dealing with this matter in the city of Vancouver. In that city there are a number of people who are in the same situation as that of one young woman who is on social assistance. She had several children from a former marriage which broke up. Then, she lived common-law for awhile, and contracted a second marriage once she was able to get a divorce. She already had one child from the second marriage, and she did not know how to avoid having any more children, so she lost a baby through ceasarean section.

It was only after going through all the misery of having children that she could not look after—much as she loved them she could not look after them in her circumstances—and only after she had been brought into hospital and underwent a Caesarean section operation which resulted in the loss of that baby, that the doctors finally decided to sterilize her, thus granting her wish of not being vulnerable to having more children. That is a shameful condition in this day and age.

When information about birth control is available, why can it not be circulated? Why can we not have the informed opinion that will make people demand birth control programs? Some of us here may not think the situation is bad. I cite the situation in my own province as described by the Family Planning Association of British Columbia:

> Every year more than 5,000 children are admitted to the care of the Superintendent of Child Welfare and the Children's Aid Societies in B.C., and more than half can be classified as unwanted—battered, disturbed, neglected, delinquent, abandoned, transient or awaiting adoption.
>
> Babies born out of wedlock in the 1960s in this province increased from 7 to more than 12 per cent of total annual births. The largest group was born to mothers aged 15-19.

There would have been no need for those illegitimate births had we acted earlier and got a family planning program underway in Canada. We knew about the need for it. The Family Planning Association of Canada has been urging the establishment of such a program, as have welfare organizations from coast to coast. Yet we are still being denied information like this.

At this point I wish to congratulate the Minister of National Health and Welfare (Mr. Munro) for making available a bulletin about oral contraceptives, a bulletin for which I asked in April of this year. That was when it was first published. It was sent to doctors about that time, and now we are getting it as a Christmas present. I cannot understand why that delay was necessary but thank goodness we have got it now. I sincerely want to congratulate the minister and the department for getting out this report and I hope it is only the forerunner of others. I don't see why he would not give us the report that I am asking for today, and the other ones that I shall be asking for every chance I get until the channels which need to be opened are opened.

• (5:10 p.m.)

There are some excellent things in this report and we should pay attention to them. A doctor at the Vancouver General Hospital, which is the largest in Canada and which is performing the greatest number of abortions, told me that he was quite certain that a spate of recent articles had terrorized women about the use of oral contraceptives. He felt that these articles were responsible for them declining to use the 100 per cent safe method, the oral contraceptive pill. Many of those women who did not use the pill became pregnant and then had abortions. I know that particular doctor will be thankful to see this report which points out that pills with 50 micrograms of estrogen are not considered dangerous enough to demand any special precautions, though of course some women will still need to beware of these and to have the advice of a doctor.

I would like to point out, Mr. Speaker, that to date the oral contraceptive pill is the only method that has been found almost completely successful in preventing unwanted pregnancies. In the report are the facts which, underlie the newspaper reports on the pill. The diaphragm method of contraception has a failure rate of 15 per cent; the rate of failure for the condom varies between 4 and 5 per cent; such spermicides as jellies and creams have a failure rate of between 10 and 25 per cent, while intrauterine contraceptive devices have a 2 to 3 per cent failure rate.

In practice, 25 out of every 100 women, one-quarter of every 100 women who use the rhythm method of birth control become pregnant. I am not saying whether or not they should use that method—let them square that with their conscience. But I am saying that they have every right to know the facts and to be told what risk they are running. They do not know that to date. I want to get the facts out to them so that they will know. Some years ago the American writer Robert Ingersoll said that ignorance is the only crime, and he said a great deal. I believe that the more ignorance we have the more crime we get. Ignorance is one luxury that we cannot afford in the matter of population control and population growth. The government has no business to sit on this and other reports which would throw light on this subject.

The report of the Royal Commission on the Status of Women brought out some additional facts. According to that report, in 1968 there were 4,378,100 women of childbearing age, that is 15 to 45 years of age, in Canada. Yet one of the family planning clinics in Toronto was able to

process only 1,250 calls in one year. How many family planning clinics were there or are there in Canada? Again we do not have the facts. One of the functions of the Department of National Health and Welfare, should be to let us know how many clinics there are in Canada, where they are, how great the need is and estimate how many more clinics are needed.

But according to the report of the Royal Commission on the Status of Women, only 23 of the 948 general hospitals in Canada have family planning clinics. I am glad to state that one of these is located in the Vancouver General hospital, and it is an experiment that is working exceedingly well. I understand it is the first non-medical facility to be permitted within the walls of the Vancouver General and it is working well. But, only 23 of the 948 general hospitals in Canada have family planning clinics. Birth control information should be made available to hospitals, teachers, doctors, public health nurses, social workers and the public in general.

In closing, I want to suggest, to appeal, to the Parliamentary Secretary to prevail upon the minister to open up the channels of communication not only by access to papers of this kind but also with a program that will let people all across the country know the facts about birth control. A program that will show the success and failure rate of different methods, and which will look into the matter of establishing clinics, is needed. In England it is known that a great many women will not attend a clinic and that some women simply cannot get to one, so mobile clinics have been established under the equivalent of our metropolitan boards of health.

I make no apology, Mr. Speaker, for using time in this way. I know there are subjects which are less important but which take up a great deal of time in this House. If the government would like to cut down on the number of papers that I shall be requesting in this House, the surest way to do it is to make those papers available right now and give them wide circulation. Some of us are determinded to pry open the filing cabinets of the government and get these reports out where they will be most useful in establishing the type of programs needed in this country.

• (5:20 p.m.)

[*Translation*]

Mr. Gaston Isabelle (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I wish first of all to congratulate the member for Vancouver-Kingsway (Mrs. MacInnis) for the interest she has always shown for contraception in Canada as well as for another problem that she seems to be a little more familiar with, namely abortion.

I may say that if today we are obliged to ease the legislation on abortion, it is perhaps because we have not informed the population on family planning, and I agree with the hon. member on this point.

Furthermore, I accept, on behalf of the minister, the congratulations which she has expressed and which I will be pleased to convey to him.

Family Planning Centres

I am sure that when we dealt with family planning, particularly in connection with notice of motion No. 114, the Minister of National Health and Welfare (Mr. Munro) opposed the tabling of the requested documents for the reasons I outlined in the House on October 28.

I have also learned, if my sources are to be depended upon, that Le Centre de planification familiale, in Montreal, now carrying out studies to which the hon. member made reference, has once again applied to the department for subsidies to pay the costs incurred in 1969-70 for research on the best means of ensuring family planning in the poorer sections of the province of Quebec.

Of course, it would be very difficult to table a document that has not been made public. As a matter of fact, the department has not yet read it. We believe that the report of the association referred to will probably be made public in June 1971.

The hon. member for Vancouver-Kingsway has also talked about a bulletin tabled in the House. It is the immediate result of what could not be done before. The minister, as reported in a press release dated September 18, 1970, has indeed said that he would do his utmost to promote research on family planning. He has also stated that it should be recognized that the great problem is the education of the people. This could not be done before amending the Criminal Code. This is why the government acted in good faith and started to carry out this task as soon as the key means were available to it, such as the omnibus bill or the amendment to the legislation dealing with the use of contraceptives.

The bulletin my colleague referred to a moment ago is the one published from time to time by the Food and Drug Directorate for medical doctors. This month, someone saw fit to include in it the report of the special committee appointed by the minister to advise the Food and Drug Directorate on all aspects of the safety and efficacy of oral contraceptives marketed in Canada.

This brings me to give some details on the question which is a current topic, that is family planning. A government has no right, in view of its public responsibilities, to improvise legislation without being in a position to explain its motivations. The government will engage in some discussions with people engaged in research in order to determine what steps should be taken for the greatest good of the people.

I do not intend to deal with the technical aspects of that question. New and more efficient contraception methods are now being tested in Canadian clinics, because—and we must admit it—research is only just beginning as far as family planning is concerned, especially for oral contraceptives.

Research is also in progress in other countries and some of them will perhaps ignore the objections concerning the present methods, their admissibility, their efficiency and the danger they may involve.

I shall not refer either to those aspects which are perhaps most important and which are based on individual aspirations and beliefs, for their personal nature requires the greatest respect.

Family Planning Centres

I wish to try and call the members' attention to some considerations which are public in character and point out the implications of some provisions made in the field of family planning. Hon. members and the general public have displayed remarkable interest in the recent initiative taken by the Minister of National Health and Welfare.

The program for research, information and professional training in the field of family planning which was announced by the the minister has two major objectives, both essential.

The first is to make available to Canadians who so desire information and services in the field of family planning; the second is a proposal that Canada should respond positively to requests of assistance from developing countries or international organisations.

The first result of such a policy will be the very generous contribution that the Canadian International Development Agency will make to the UN to help finance demographic studies.

Canada also helps some foreign family planning programs through its membership in international organizations active in this field, such as the World Health Organization, the International Bank for Reconstruction and Development and the Organization for Economic Co-operation and Development.

Apart from the fundamental demographic studies carried out by the UN demographic services, a number of these organizations are conducting independent scientific surveys and holding meetings on all aspects of the demographic problem, including family planning in countries which are presently experiencing strong social pressure. We hope that in the long run we shall be able to improve our abilities from our domestic experience of family planning and thus be in a position to take a more active part in the activities of those organizations in international aid and research.

The other factors that led the government to support a family planning program are the still relatively high maternal and infant mortality rate. In 1968, Canada ranked seventh with regard to maternal mortality, outranked mostly by countries with a national family planning policy. Numerous health authorities think that measures to identify the most endangered mothers and effective means of family planning for this group would make the mortality rate fall and consequently, would save many mothers.

It is also thought that Canada could improve the situation about infant deaths. In 1968, we became the eleventh country providing family planning services to groups which apparently are unaware of them or to whom they are not available. There is convincing evidence that family planning is the most efficient means to reduce the infant mortality rate.

We know quite well that many families, especially among the poorest ones, have no family physician and that they are trying to solve their medical problems, according to their needs, that is always at the last minute in case of emergency.

If we really want to progress in that respect, we must find new methods to contact and help those families either through community health centres or hospital clinics.

Instead of relying entirely on medical or para-medical staff to give advice, it would be perhaps be advisable to train consultants in family planning who would more easily communicate with women. We have reason to believe that many cases of illegal abortions jeopardizing the health of the mother are mostly explained by the lack of information on contraception freely and unreservedly given to women of child-bearing age.

In spite of the amendments to the legislation on abortion that came into force in August 1969, the number of therapeutic abortions in this country has steadily increased. And further efforts must be made in order to find new and better contraceptive methods, capable of meeting the needs of both women and men and as effective as possible.

With those objectives in mind, the part to be played by the federal government in family planning consists above all in assisting the provinces through advisory technical services, research grants and documents to be used for training and teaching.

Needless to say that family planning was on the agenda of the federal-provincial conference of health ministers, which ended this afternoon.

We may expect to be called upon to work in co-operation with the Canadian International Development Agency, as to the training in Canada of foreign personnel and the provision of advisory technical services for developing countries.

Most of the provinces have already taken steps to implement family planning programs, the features of which are far from standard. Some of those programs are implemented by public health services and in some cases, in co-operation with voluntary family planning agencies, sixteen of which are members of the Family Planning Federation of Canada. That federation broke new ground in helping to establish family planning services in most of our larger centres and especially in giving information to the public. On account of the experience acquired by that federation, we shall try to implement in close co-operation with them some stages of the family planning program set out by the Minister of National Health and Welfare.

Besides, some aspects of this program have been applied for several years. Few people know it but quite significant support is provided to research on the medical, biological and social aspects closely related to family planning under several internal and external research programs of the Department of National Health and Welfare.

In addition, research programs on family planning, in so far as they are related to biology and sociology, are included in grants programs for research in the field of public health and social welfare.

There is also some kind of a research program carried out in the very laboratories of the Food and Drug Direc-

torate. For example, studies were made on the effect of certain contraceptives on fertility and other functions and to the possible relations between particular drugs. Most of the research work has been carried out on humans. Under the direction of our colleague, Dr. Hurteau, the University of Ottawa has undertaken under contract very promising research on a contraceptive that could be used over a long period of time.

It must be added that similar projects have been approved by the research grants program of the Medical Research Council. For instance, research has been carried out on the biochimy and metabolism of steroids and hormones which have an influence on reproduction, on genetics, on reproduction immunology and finally chromosomic research on human populations.

The department is also studying some of the problems of abortion which is the most undesirable type of birth control. Abortion is very costly and, as I said a while ago, can do irreparable harm. Since we shall have an opportunity, later on, to discuss this question in the House, we shall then provide necessary particulars.

As concerns the major part of this research on family planning under federal governments grants (excluding the Medical Research Council program), I would rather be modest and say that this is only a beginning, especially in the social science field. We wish to set priorities in research on family planning, stressing pilot-projets, evaluation of programs and assessment of efforts provided in the field of education. From an administrative point of view, our efforts could have more weight if we changed the method used for financing research and directed those necessarily limited funds toward specific fields whose priority has been recognized.

The department aims at training qualified staff which will be responsible for considering and applying the various proposals designed to increase family planning services through information, personnel training and research. Of course, such a proposal should first of all be studied in conjunction with the provincial governments concerned. We also hope that some time will be devoted to family planning matters at the next conference of health ministers. As I suggested a while ago, it would seem that all delegates at the conference of health ministers have received the bulletin on family planning which has been distributed to them.

I would also like to mention that, for reasons which are not totally clear, Canada has relatively few specialists and experts in family planning, which requires qualifications in many disciplines. Educational books and other kinds of public information documents will be prepared for those working in this field at the present time.

Mr. Speaker, I do not have to add that the federal government, with the means at its disposal, does everything to indicate to the Canadian people that it is absolutely necessary to allow an individual to use his free choice in connection with such things. That is why the federal government will give the necessary directions as the results of research will be known and that it will inform the population on the best steps to take in connection with family planning.

Even if that matter falls under provincial jurisdiction, the federal government must nonetheless be able to grant subsidies for programs of that kind, which will contribute to the development of this country. I believe that the government is pionnering, as indeed it has always been, in the social field, and I am sure that it will provide assistance in order to better life in Canada, not only for certain groups of society but for all Canadians.

• (5:30 p.m.)

[*English*]

Mr. Deputy Speaker: The hon. member for Algoma (Mr. Foster).

Mr. Knowles (Winnipeg North Centre): That is the talking-out team over there.

An hon. Member: They're doing well.

Mr. Maurice Foster (Algoma): Mr. Speaker, the motion before us this afternoon in the name of the hon. member for Vancouver-Kingsway (Mrs. MacInnis) reads as follows:

> That an order of the House do issue for a copy of the study undertaken by Le Centre de Planification Familiale, Montreal, in the fiscal year 1969-70 funded by the Department of National Health and Welfare on "Projet de recherche auprès du milieu défavorisé urbain Québecois".

This study, as I understand it, relates to family planning in the Montreal area—to families in the low-income bracket and the effect of low income, poor housing and limited education upon the size of families. The hon. member for Vancouver-Kingsway drew attention very ably in the course of her speech to the social and welfare aspects involved. She told us that throughout the country there were only 23 family planning centres so far; it does not appear that a great deal of advantage has yet been taken of the change in the Criminal Code introduced rather more than a year ago which allowed information to be made public, at least by government bodies and non-profit public groups.

The hon. lady suggested mobile clinics might be provided, such as they have in Europe. This would extend, I presume, to "storefront" centres for family planning advice. One inquiry came to me from a social welfare group which wanted to set up a clinic of this type. This was very shortly after the change in the Criminal Code. The Department of National Health and Welfare was most helpful. They provided me with names and addresses of people who could help, suggestions for the structure of the organization, the kind of people who would be supervising, and so on. I believe the group for which I made inquiries went ahead, in co-operation with the provincial department of health, to establish a family planning centre.

The Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Isabelle) indicated that this study was undertaken in Montreal and that the final report would possibly be published some time next June. It seems to me it would be very wise to have the report

in final form before it is made public and available for general use. Surely, in this type of project a little knowledge could be a dangerous thing. I think the results of the study should be appraised and put into concise form which would be useful to groups throughout the country that want to establish family planning centres, because certainly it appears there are not enough of them.

• (5:40 p.m.)

I notice that in their statement this afternoon the ministers of health who have been attending the federal-provincial conference referred to this question. This is an indication that these ministers are continuing to be interested in this subject. I should like to read what they said:

> The ministers reviewed trends with regard to abortion, and expressed the need for greater attention to be paid to family planning. Support was given to the concept of a family planning approach which stresses the need for research, public information and training of health personnel involved with family planning.

It therefore appears that this group will have a responsibility to the people of Canada as well as the members of this House. They have continued to give the matter a great deal of their attention: this was pointed out in the communiqué issued at the conclusion of the conference this afternoon. When the Minister of National Health and Welfare (Mr. Munro) issued a news release last September on this subject he said there were three important components of any family planning program, namely, research, information and training.

I want to say something about what the welfare branch is doing and is capable of doing in each of these areas; also about the support for services on a shared-cost basis with the provinces which is possible under the terms of the Canada Assistance Plan. With regard to the underlying philosophy of federal programs, since public welfare programs are, unfortunately, often associated with notions of pressure and coercion, it is important to emphasize the philosophy behind federal family planning policy. As the Minister of National Health and Welfare has stated, its essential purpose is to help make family planning information and services available to all who want them so that all Canadians can exercise free individual choice in the practice of family planning. It is fully consistent with the goal suggested by the Family Planning Federation of Canada in its brief presented to the Special Senate Committee on Poverty on February 10, 1970.

This goal is to "democratize" family planning, as one way of reducing poverty in Canada, by offering the poor the resources already available to the non-poor from private sources. In its positive aspects it is designed to ensure that every child is a wanted child. As the federation's brief points out, family planning is now a resource crucial to the ability of a family to cope with its environment. If every child is a wanted child, children are better cared for both physically and emotionally. Mothers are subjected to lower health risks if births are spaced carefully. The assurance that another child will not come before it is wanted helps couples plan other material and non-material aspects of their lives with more confidence.

[Mr. Foster.]

Moreover, family planning, in its broadest sense and the sense in which it is used here can assist some of the childless to bear wanted babies. In summary, the knowledge and means to space and plan the coming of children in relation to family resources is essential to happy, healthy, responsible family life.

It is common knowledge that on the average the least educated have the largest number of children and the lowest incomes. More significant is the evidence of personal and family breakdowns where resources are not adequate to meet needs. A study of multiproblem poor families in Vancouver, cited by the family planning federation's brief, found that such families were larger than the Canadian average by 1.1 persons and that one-third of these families had one or more children over 15 years of age living apart from the family for reasons of adoption, placement, emotional treatment or delinquency.

The need for family planning programs cannot, therefore, be dismissed simply by pointing out that crude birth rate figures in Canada are declining. Moreover, the weight of evidence is against the view sometimes stated that the poor have more children simply because they want them. A study undertaken in the United States, also cited in the family planning federation's brief, found that 17 per cent of births to the non-poor were unwanted, compared with 26 per cent among the near poor and 42 per cent among the poor.

These findings are validated by the sometimes dramatic results, in terms of declining birth rates, when family planning programs are properly presented in terms acceptable to poor people. The attitude of the federal government to family planning is consistent with the following principle embodied in a "World Leaders' Declaration on Population" made public by the Secretary General of the United Nations on Human Rights Day, December 11, 1967:

> The great majority of parents desire to have the knowledge and means to plan their families; the opportunity to decide the number and spacing of children is a basic human right.

Although the provision of a family planning service is most often the responsibility of the health authorities, there is an important role for welfare services, both public and voluntary, in the over-all program. The prescription by a doctor of a specific means of family planning is often the last link in a long chain and even the beginning of a new one to help people to continue to plan. Welfare services often play a crucial role in getting people to the point of acceptance and continuance of family planning services. Effective partnership between health and welfare services is therefore imperative.

Experience has shown that poor women are especially receptive to family planning programs immediately after giving birth to a child. Where such women are known to welfare agencies, the latter can play an essential role in maintaining their interest in family planning and in returning for necessary medical service. Unmarried mothers constitute a high priority group which is the particular concern of public welfare agencies. Experiments in the United States have shown that information and advice on family planning, as part of a carefully

constructed social rehabilitation program, can have dramatic results in reducing the proportion of subsequent out-of-wedlock pregnancies in such a group.

I come now to research and the capability of national welfare grants. I want to say something about the contribution to research in the field of family planning that national welfare grants can and do make. Welfare research grants are offered as part of the national welfare grants program designed to assist in the development and strengthening of welfare services in Canada. Such grants are available to provincial welfare departments, municipal welfare agencies, voluntary welfare services, welfare councils, welfare treatment institutions, schools of social work, universities and research organizations in Canada, but not to individuals. Grants are made for one fiscal year and may be renewed on the basis of satisfactory progress. Priority is given to projects holding promise of producing new knowledge of general interest to the welfare constituency and wide application to welfare services, and to projects which advance the methodology of social research applied to welfare problems or services.

Applications for welfare research grants are appraised by staff of the Department of National Health and Welfare and, when warranted, by other interested federal and provincial government departments. They are then referred to a research advisory committee which makes recommendations on the application to the Minister of National Health and Welfare. The following guidelines are used in the relationship between the organizations applying for a welfare research grant and the direction of the program:

• (5:50 p.m.)

1. An application for a welfare research grant and the documentation attached to such application is confidential.

2. The applicant retains the authorship of copyright of a project application.

(a) The department is not at liberty to disclose the content of a research project application other than its purpose and objectives in general methodology once a project has been approved.

(b) The organization receiving a research grant retains the liberty of disclosing the content of an approved research project grant and is encouraged to do so when information is sought.

3. A welfare research grant is made on the following conditions: That on completion of the project, the Department of National Health and Welfare will be furnished with five copies of a final report; that one or more copies may be placed in the library of the department for unrestricted library use; that except as may be subsequently agreed, publication or general distribution of the report and condensation thereof is the responsibility of the grantee agency and/or principal investigator; that in any such publication acknowledgement will be made of the assistance rendered by the department under the national welfare grants program; that in any such publication the author or authors will state explicitly that the findings or opinion expressed are those of the author or authors.

In reference to research relative to family planning I might point to the "Project de recherche auprès du milieu défavorisé urbain Québecois" by Le Centre de Planification familiale du Québec Inc., Montreal. The object of this project is to determine the various family cultural variables peculiar to deprived milieux which have an influence on attitudes and behaviour with regard to fecundity in order to build a model of these cultural determinants and, from this knowledge, to determine the conditions necessary for family planning to succeed in this milieu.

This project was initially founded in 1969-70 and a new grant was awarded in 1970-71 to allow the continuation of the project. As I have already said, a research grant can only be awarded on a yearly basis, and a research project can receive another grant in a succeeding year if warranted by its progress during the previous year. An application is required for each fiscal year for the total duration of a research project. The project I have mentioned is not yet completed and the report is not expected before the summer of 1971.

Another project is titled "Causes et conséquences démographiques, economiques et sociales de la pratique de la méthode thermique de régulation des naissances" undertaken by the département de sociologie de l'Université Laval. The project is not yet completed; consequently, no report is yet available.

The purpose of this project was to explore to what extent the seeking of increased material well-being is combined with cultural and moral motivations of the couples interviewed in wanting to restrict the size of their families. The survey seeks to answer the implied question: What type of birth control is suitable to what level of education, and at what levels of education are people prepared to apply different types of of methods?

The national welfare grants programs can also provide funds for demonstration projects and professional training. Such projects might include a demonstration of the most effective means of spreading information about family planning to the public as an example. In these ways the national welfare grants have some capability in all three aspects of the program in family planning of the Department of National Health and Welfare.

Now I should like to turn my attention to the capabilities of the Canada Assistance Plan in respect of family planning. The provisions of the Canada Assistance Plan are sufficiently broad and flexible that it can now contribute to the training, public information and research aspects of the federal program of family planning announced by the Minister of National Health and Welfare on September 18, 1970. These contributions are made possible by two provisions in the plan which constitute major innovations in federal-provincial shared-cost assistance programs.

For the first time it authorizes federal contributions to health care, administrative and welfare service costs of provincial welfare programs. Health care services, the

costs of which may be shared when supplied to needy persons, are broadly defined to mean medical, surgical, obstetrical, optical, dental and nursing services and include drugs, dressings, prosthetic appliances and any other items commonly associated with such services. Under this provision the federal government is prepared to reimburse the provinces 50 per cent of the cost of contraceptive medication and devices prescribed for persons who have met a test of need.

The cost of the services of physicians and related medical personnel involved in the provision of family planning services as part of the health care program for needy people is shared on the same basis, to the extent that these are not supplied through other federal-provincial programs such as hospital insurance and medicare. All provinces are using this provision to some extent and it is expected that as a result of recent federal initiatives increasing use will be made of it.

Mr. Deputy Speaker: Order, please. The hour appointed for the consideration of private members' business having expired, I do now leave the chair to resume same at eight o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

REGIONAL DEVELOPMENT INCENTIVES ACT

PROVISION OF SPECIAL DEVELOPMENT INCENTIVE, LOAN GUARANTEE, ETC.

The House resumed consideration of the motion of Mr. Marchand (Langelier) that Bill C-205, to amend the Regional Development Incentives Act, be read the second time and referred to the Standing Committee on Regional Development.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in participating in the debate on the motion for second reading of Bill C-205, I would first like to tell the Minister of Regional Economic Expansion (Mr. Marchand) that I recognize that the state is striving to promote industrial growth in Canada. When I see the big smile on his face, I am satisfied that his hopes are even greater than he said this afternoon during his rather brief statement.

I hope that the results of this measure will match the hopes expressed by the minister. Nevertheless I have grave doubts as to the expected results, because we are saddled with an economic system whose shortcomings prevent it from being attuned to present-day realities.

If the present economic system was truly ideal and efficient, we would not be continuously faced with problems of unemployment, malnutrition and poverty in the midst of affluence, except perhaps in periods of wars, when these problems are exceptional. When we have reached a situation where the state has to inject millions of dollars in industries, this is certainly not an indication that our economic system is healthy. This does not mean however that I am opposed to the bill now under discussion, but I would like to show that we must also use other means, take other measures and implement economic reforms if we are to get still more beneficial results for the people, and especially for the working class.

Major Douglas, a Scotch engineer, had found the major defect in our economic system more than 50 years ago, and summed up his philosophy in this quite simple sentence: Production does not finance consumption. In other words, there is not enough money put into circulation within a production cycle to enable consumers to purchase all the goods produced. It has been proven. He was right. Let us consider the facts.

During World War I, that is the 1914-1919 War, in order to finance the Canadian war effort, the government had put money, which is purchasing power, in the hands of the Canadian consumers since many workers were getting paid for manufacturing armaments such as machine-guns, tanks, etc. Consequently, the population's demand for consumer goods increased. Plants producing civilian goods were in full operation. In those days, Canada experienced an unprecedented industrial boom.

I was then living in the Eastern Townships and I remember that all the manpower available was being recruited for work related to the development of our natural resources. In fact, not only was there no unemployment but even school children had jobs.

• (8:10 p.m.)

After the 1919-1929 decade, mass purchasing power dropped dramatically and we faced an economic crisis. What happened during that recession?

A great many industries went bankrupt, since lack of solvent buyers for their production forced them to close down, and they were taxed with bad management.

The same thing happened to farmers, many of whom had made commitments during 1918-19 when agricultural products were at their highest. When the subsequent period placed them in an impossible position, they were taxed with incompetence.

During the period from 1929 to 1939, unemployment stood at a record figure. In turn, the unemployed were upbraided for their heartlessness and their laziness. We saw some of them working for 20 cents a day. They were called "the 20 centers". I lived through those times that we are about to live again. I refer to this situation in order that we may learn a lesson, not to be plunged into similar circumstances.

I remember that at that time, when a young man was courting a young lady, he could not make serious plans

for the future. He would merely say: Miss, if you are thinking of your future, do not rely on me for the time being, I am one of the "20 centers".

Suddenly the situation changed. War broke out in 1939. Governments asked Canadians to make a global war effort. Money reappeared. The federal government never said that it did not have any money, that the war effort had to be stopped. On the contrary! Money was flowing in larger amounts than ever and the situation changed completely.

Inefficient and poor managers as farmers were during the economic recession, all of a sudden they became efficient and good managers despite all the wartime restrictions. Why? Because they found buyers for their products, consumers with a purchasing power in keeping with their needs. The same thing happened to industrialists who went bankrupt during the crisis. Most of them recovered because their industries operating with full output, they became good managers. The "lazy" unemployed of the crisis period, the "20 centers", became the best workers and the best soldiers in the world. Everywhere in the world, the value of Canadian people was praised.

Canadians became so productive that the government had to resort to rationing in order to curb their desires, because they had acquired then greater purchasing power. After the war, it was necessary to rebuild. The money supply in the hands of consumers was more considerable and we experienced an economic boom from 1945 to 1956.

Since that date, we have been moving towards a situation of hardship in the midst of affluence. The situation is even worse that it was in the period from 1929 to 1939, because of automation. And, without our present social security legislation, we would have a depression of such proportions that it would seriously threaten our social structures.

Manufacturers are looking for consumers for their products and, when they succeed, they feel very happy.

A press release issued by the Department of Industry, Trade and Commerce, on December 1, 1970 had this to say about the matter:

> Sales totalling $3,160,000 were made on the spot because of Canada's participation in the Interstoff textile clothing Fair held in Frankfurt, Germany, from November 17 to November 20. That was the first time that Canada was represented at this Fair. The 12 Canadian textile firms who took part in this event expect additional sales worth $13 million.

So, in Canada as elsewhere we are looking for consumers with purchasing power. Unfortunately, this class of consumers is becoming more and more scarce, and this is why many industries are slowing down, which inevitably leads to unemployment.

I know that people will find employment in industries, but such employment will be stable only if the industries sell their products and if their operations are profitable.

Mr. Speaker, the Minister of Regional Economic Expansion has explained in a statement given out after the first reading of Bill C-205, entitled "An Act to amend the Regional Development Incentives Act", that this legislation stipulates and I quote:

> 1) that loans could be guaranteed for new plants in economically under-developed regions by the Department of Regional Economic Expansion;
>
> 2) that incentives will apply to businesses other than manufacturing and processing companies, and finally,
>
> 3) that special grants will be paid in certain cases.

I will refer to that later on.

Why are those new provisions enforced? Simply because the rate of unemployment is high and businesses wishing to expand are prevented from doing so due to lack of capital.

Someone should have wondered why the unemployment rate is so high, why available capital is so scarce or why people are afraid to invest capital. This is merely due to the fact that the present financing system does not give enough money to consumers to purchase the available production and at the same time finance the development of new industries.

This is what I want to explain. I would like to suggest new formulas to finance businesses, financing which would not derive from the profits of promoters or the savings of individuals.

I have consulted with someone more competent than I in this field, in order to give the House valid explanations and suggestions likely perhaps to help the government in solving one of the most serious problems now, the high rate of unemployment particularly in eastern Canada.

What causes the deficit in the money flow to consumers? This is a very important question and it is not easy to answer it. But once the answer is found, it is possible to suggest a solution likely to keep the balance between the amount of prices attached to goods and the total amount of the purchasing power available to consumers.

Industry's sole source of revenue is the money that comes out of the consumers' pockets, and the latter have none other than that of industry, commerce or finance.

This means that all costs ranging from primary production down to consumption, through processing industries, wholesalers and retailers, all these costs, as well as all profits which have been added to actual costs and which have accumulated to make the final price, must be recovered through the price charged to the consumer.

On the other hand, the consumer cannot pay for the products that he buys more money than he has received from producers and distributors. Therefore, if through wages, salaries, dividends or otherwise, industry gives back to the consumers in an aggregate form all the money it gets from them and if the consumers spend all that money to buy products from industry, the latter can operate indefinitely, through the sale of a given amount of goods at a given price level. So any overproduction or any sale at a loss of products or any underconsumption becomes impossible.

• (8.20 p.m.)

What I said before is fairly obvious. There is indeed a cycle in the flow of money, from producers to consumers and from consumers to producers. Moreover, everybody knows that that flow is not supplied through providential means. Nobody expects money to grow on trees. Nevertheless, profit-minded businessmen increase their production in the candid belief that through some miracle, industry will succeed in getting from consumers more money than it has given them in the course of production. And if, by chance, money should not come back, they say it is due to consumers' opposition, to a psychological reaction on the part of buyers or to any other reason without giving the real one, namely that the buyers are unable to pay for more products without getting more money.

Any businessman will probably say that the financing of production and distribution of produced goods automatically provides consumers with enough money to buy the produced goods. But such is not the case.

Does the manufacturer want to give in wages, salaries, rents, dividends and otherwise as much money as the consumers will pay for the products? To act this way, one would have to be a philanthropist. The good businessman, if he wants to succeed, will want to receive, through the sale of products, more money than he has spent for production. That is quite normal.

In other words, enough money is not put into the hands of consumers to allow them to buy all the products on the market. Does anyone know somebody who would act otherwise? Is it possible to imagine a single businessman who would have as his goal to spend as much money in a given period of production as he wants to get from consumers?

Among our acquaintances, there are persons engaged in all kinds of businesses. Each of them takes all possible precautions in order to maintain his costs lower than his selling prices. Each of them has to do that. None of them has any other choice.

All businessmen, as long as they succeed, do not give consumers enough money to allow them to buy all the products at marked prices. Thus no business can prosper unless it shows a profit, unless it receives from consumers more money than it distributes them.

In theory, the deficit could be filled if all savings were used to increase equipment and public works, because then they would come back to the consumers, without increasing the quantity of consumer goods already on the market. In that case, the savings would not prevent consumers from having enough money to buy a certain amount of production.

However, the additions to the present equipment are aimed at increasing production. Now, the sale of an increased production requires a larger amount of money in circulation. Everything boils down to that.

With a given amount of money earmarked for the purchase of consumer goods, even considering the speed of money circulation, it is impossible to transact more than a given volume of business. Otherwise, we would not be experiencing the present depression.

As financing through savings and banking results in a lack of purchasing power, since borrowers must include in their prices the amount of interest they have to repay, some means should first be found to make up for the lack of consumer purchasing power.

It is possible to make up for that lack by dropping prices to the level of the consumer purchasing power, or by increasing such purchasing power in proportion to the existing deficit. Such a purchasing power can be distributed, as was done in the past—though inadequately—through family allowances or increased old age pensions, or, as advocated by the Social Credit, through a dividend paid to each and everyone, so that the whole community may benefit from modern advance and, mechanization, the Canadian people's heritage.

However, you might say that this does not solve the problem of production financing. The answer to this is that if consumers have enough purchasing power to use up production, producers will have enough money available and will be able to reinvest a larger part of their profits.

However, it remains that this reinvestment, if it is financed out of the businesses' profits or through the consumers' savings, will result in a further lack of purchasing power. New capital sources must therefore be found and invested into the enterprises. In other words, new credits must be created. New credits must be granted for the new productions proposed. These new credits can take the form of bank credits at an interest which would reasonably repay the bankers and the financiers for their contribution to our economy.

Even if the interest on those new credits is low, it will of course have to be paid off with the credits. Now, as the interest is never distributed by the banker or the financier, although it is included in the prices, it results in a deficit for the consumers.

As I said before, that deficit can be made up, either by adjusting prices, or by a compensated discount, or through a subsidy to the consumer, or a dividend.

In fact, restoring the purchasing power, meeting the needs of those who are hungry and thirsty, and helping what industries are unable to finance themselves are so many problems the solution to which may be found in the postulates of Major Douglas. He was a competent man who made very logical suggestions in this regard, and I would invite the government to study them seriously, with a view to organizing in our midst an economic system which will truly satisfy the needs of the people and will allow most of our workers to produce the consumer goods which the popoulation needs.

Indeed, the new act is an improvement when compared with the previous one since it will be used to ensure some degree of organization in the services sector. In this regard, let me say to the minister that his decisions were wisely taken since decent hotel facilities are required in all parts of Canada to provide for conventions. It was also a wise move to think of the organization of recreation activities.

I wish to draw his attention to the following.

In the Montmagny area there has been talk for some years now of setting up a marina in order to promote recreation activities and to produce new jobs, which would contribute to the development of the region of Montmagny.

I hope that it will be possible to help the Montmagy area with regard to the setting up of a marina and that an agreement can be reached at all levels of government—federal, provincial and municipal—in order to provide the funds for the dredging of the channel leading to the wharf at Montmagny.

It has become necessary to build that harbour. It is urgently needed. I hope that under Bill C-205 regulations will enable the Minister of Regional Economic Expansion to respond to the numerous requests made to that effect by the municipal authorities and all the organizations in my region which are really interested in those problems.

Despite the weaknesses and faults of the bill, I feel that a worth while effort has been made. I would have liked to see some flexibility in the framework of the legislation. On page 5 of the statement of the Minister of Regional Economic Expansion, one may read as follows:

In the areas of Quebec, Ontario and the four western provinces already designated, incentives will remain at their present level.

I understand that the government had to stop somewhere. However, I suggest to the minister to see to it that an industry settles in the Montmagny region and is given the benefit of certain incentives. Even if to do so it is necessary to amend the bill in some way, I am sure that the minister will take my request into consideration.

I am convinced that all those who are really concerned with the problems now confronting us will wish to make their contribution in order to find solutions as quickly as possible. When reading the newspapers, I see that it is possible to sell Canadian products on international markets. I am delighted with that situation, for this is an effective way of helping make of Canada a country which will develop further and enable our young people from 18 to 22 who have completed their studies and would expect to be rapidly hired, to earn a living while making an all-out effort to do more for their Canada. It will then be possible to achieve this goal and bring renewed hope to our youth, which is so very necessary.

• (8:30 p.m.)

[*English*]

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, this is certainly a very important bill and it is sponsored by a very important minister. If we believe the savants of the press, he is one of the three most important members of the cabinet, sharing with the Prime Minister (Mr. Trudeau) and the Secretary of State (Mr. Pelletier) that special essence of power which is not shared by others. Therefore, I enter this debate with a great deal of trepidation in that I am looking upward toward a very high pinnacle. I should like to say how very much I appreciated the remarks of the hon. member for Bellechasse (Mr. Lambert), a member whose sincerity and concern for the people of his province and for all of Canada I salute and applaud as I have done ever since he became a member of this House.

I naturally subscribe to the remarks made on behalf of our party by my colleague, the hon. member for St. John's East (Mr. McGrath), in his very powerful and thoughtful address this afternoon. He set out some very cogent considerations. Reflection upon these will benefit the minister, I would say, and benefit the country. My friend called for more discussion by the federal government with governments at the municipal and provincial level. With this I agree, though I cannot help but express a little caution on this matter since I come from the province which has had more sustained and concentrated discussions and negotiations on a bilateral basis than has any other. I have the awful feeling that after all these negotiations and after all these discussions, all the signing and the fanfare, my province did not come up with a particularly good bargain. When I look upon a great development program whereunder Prince Edward Island, the smallest and second poorest province in the Dominion, would foot two-thirds of the bill and the great and vast government of the Dominion of Canada would pay the rest, I wonder at the efficacy of this sustained and continuous bargaining.

With longing I recall the old days when cost-sharing between Ottawa and provincial capitals was on a 50-50 basis. In many special considerations it was 75-25 in favour of the provinces and in some cases, such as certain aspects of the Trans-Canada Highway, Ottawa picked up 90 per cent and the province 10. I am not suggesting that had they talked less they might have produced a better bargain, but I say to my friend from St. John's East that all the talk, all the planning between Charlottetown and Ottawa in my opinion did not produce a most favourable relationship so far as Prince Edward Island is concerned.

My friend from St. John's East made a statement to which I think all of us would subscribe when he said that we do not quarrel with the designation of Montreal. Of course, we do not; but I am afraid that I will have the utmost difficulty in explaining it. Certainly it will not be an easy exercise. It has been my conviction for a long long time that many of the economic problems which Quebec faces are similar to those which the Atlantic provinces have faced, and that over the years Quebec and the eastern provinces should have been more closely co-ordinated in their efforts. But I would be less than candid with the minister if I did not point out that there would be some difficulty in the Atlantic area.

Mr. Speaker, I should like to quote from a recent emanation of APEC, an organization with which I am sure the President of the Privy Council (Mr. MacEachen) has the closest relations. This article reads in part.

Designation of centres in Quebec and Ontario under the regional incentives program deals a serious blow to the Maritimes' industry-attracting efforts, says the Atlantic provinces Economic Council—

In a prepared statement, Harry Flemming, council executive vice-president, warns that designation of these areas—

He speaks of Upper Canada.

—"has made the task of attracting industry to the Atlantic provinces, much more difficult."

He suggests that designating these areas neutralizes the incentives program since, "when everything is designated, nothing is designated."

We are almost at the stage, Mr. Speaker, where this great country, this land of riches untold, this land that Laurier said had the twentieth century in the palm of its hand, has become one massive designated area.

Mr. Stanfield: Give these fellows another year!

Mr. Macquarrie: I think we have to approach this important piece of legislation with a little more than technocracy. Where does the regional disparity concept fit into our study? It comes, surely, from the concept of the nation as a whole, that because of certain national structures and certain national policies, regional inequalities were built into our system and the national government had an obligation to adjust them. Down through the years we have tried to overcome disadvantages through subsidies and various grants. We know that even in times of national prosperity there were regions within the country which, largely because of national policies, remained disadvantaged. We were unable to share fully, or indeed proportionately, in the prosperity of the nation as a whole.

• (8:40 p.m.)

Recently the concept of regional disparity has taken on an extra degree of sophistication. It is obvious, in the historical sense, that through the initiative of the former Premier of Nova Scotia, Mr. Smith, the question of regional disparities reached the agenda of constitutional discussions, as it properly and legitimately should. It was discussed when spokesmen for the various jurisdictions within this federal structure met together to consider problems common to all of them and to both jurisdictional levels.

I think we ought to begin this whole thrust toward legislation aimed at correcting regional disparities by looking at the problems of areas which have economic difficulties because certain national policies worked against them and in the long run worked against the good of the commonalty. It is regrettable, alas very regrettable—and this is part of our difficulty today, sir—that the whole country is in the doldrums. This great land, from the Atlantic to the Pacific, is suffering from a sluggish economy. We are today dealing with a piece of legislation which was designed to compensate for the disparities among regions, whereas I submit we ought to be engaged in an assault upon those problems which have been created, I fear, in the main because the national policies themselves were faulty and inadequate. This, I think, is the crux of the matter.

There is no one, I am sure, in this party or in this House who is not aware of, concerned about or without sympathy for the special and economic problems of the province of Quebec. Those of us from outside Quebec quite frankly are appalled that the economic difficulties of Quebec should have reached such an acute stage before the national government galvanized itself into action for dealing with them. I have read, and after checking the Parliamentary Guide I am convinced that what I have read is correct, that we have never before had in the cabinet of the national government such a powerhouse of Quebec ministers. We have never had so many. So I am disturbed, surprised and filled with wonderment that so acute a problem should develop in this important and historic province and that so little attention has been paid to it until now. Therefore, anything that I say is not a reflection of any lack of concern on my part for the province of Quebec. I think the minister would be ill-advised not to note that there are possibilities of serious misunderstandings.

I have before me clippings from a few newspapers. Some are articles and others are editorials. One headline reads, "Atlantic area fears special status lost"; another is, "Budget called pro-Quebec"; another clipping is headed, "Quebec needs bigger bite of hand-outs from Ottawa"; another says that APEC is critical of the pro-Quebec stand.

Mr. Marchand (Langelier): Is the hon. member anti-Quebec?

Mr. Macquarrie: Mr. Speaker, I did not hear the minister.

Mr. Stanfield: He was suggesting that the hon. member is anti-Quebec.

Mr. Macquarrie: That is the kind of thing I would expect from that hon. gentleman. Perhaps he thinks that 3,000 of us are in a certain category. He is very good at multiplication. I hope he does not go into a "FRAP" when I say this, but I have been in this House quite a deal longer than he has.

Mr. Marchand (Langelier): Too long.

Mr. Macquarrie: Too long—that is statesmanship for you! I have no regret for anything that I have ever said about Quebec. I regret nothing that I have ever said about the problems of his linguistic or provincial group. I think he does his party, the government and the country a disservice by trying to exacerbate and manufacture differences which do not exist.

Some hon. Members: Hear, hear!

Mr. Macquarrie: If he is disinterested in the opinions of other people and newspapers beyond his own province, that is his responsibility and that is on his conscience.

An hon. Member: It is also stupid.

Mr. Macquarrie: I am interested in what the people in all ten provinces say and think. It is my job to try to measure my utterances and my concerns against the

whole country, and not to be concerned about just one province.

Some hon. Members: Hear, hear!

Mr. Macquarrie: I should like to say, in further extenuation and support of what our party spokesman said tonight, that we have lost something in this whole program by a diminution of the regional input to all these programs. I think one of the greatest mistakes ever made was the dismantling and destruction of the Atlantic Development Board.

Some hon. Members: Hear, hear!

Mr. Macquarrie: There we had the combination of the very best people in the area, the people who knew most intimately the problems of the area and were dedicated to eradicating the unfortunate circumstances, economic and otherwise, which have stemmed from regional disparities. The outlook of that body was distinct. I think much of our trouble has stemmed from that diminution. I would rather see an Atlantic Development Board than 20 regional desks and I think the people of the Atlantic provinces will agree with that.

So often in these days of excessive bureaucracy we have followed, discovered anew, followed again and searched out various sophisticated formulae, calculations and computations relating to incentives. I believe that I must assuredly come from the most studied, the most examined, the most investigated and the most planned-for part of the North American continent. We have all sorts of studies about us. I have been reading studies upon studies. I have just finished reading a report on the Newstart program. The opinions of a man with a respectable background and his views on the Newstart program are far from complimentary. I am sure the people of the Atlantic provinces are asking, when will these studies end and when will we begin a concrete attack on the problems which have dragged down the whole region ever since the days of confederation?

Surely there are many things to be done which are far more valuable than the introduction of a new, computerized incentives program. One thing which could be done for the Atlantic provinces would be a renewal of the Atlantic provinces adjustment grants. Of all programs which brought new courage and encouragement to our region, none surpassed the Atlantic provinces adjustment grants which were established in 1957-58 by the government which in this House I supported for six years. The time has come for a renewal of those grants so that the small provinces by the sea may meet the heavy demands for social services which their people in these days, quite naturally and properly, expect the provinces to provide. There are many obvious ways in which we may be assisted by the senior, national government to help ourselves. It does not require an elaborate bureaucracy to note that in the Atlantic provinces, because of our topography, we have transportation problems. We have been saying this for over a century. The federal government could assist magnificently by helping us to get to the markets of the world and especially of this continent, the products of our sea, our land and our toil. We have talked year in and year out about a corridor road. A substantial grant to the corridor road would do a great deal more good for the Atlantic region than the manipulation of the incentive formula.

• (8:50 p.m.)

We have been told in years past that Prince Edward Island would receive a causeway. In fact, in token of the Dominion government's commitment thereto, some $20 million was spent. We have in New Brunswick in the constituency of my hon. friend from Moncton (Mr. Thomas), or near it, the newest and least used railroad in the continent—five miles of track headed for open sea. Would it not be a brave gesture toward Maritime self-help to build this causeway?

We all read with rapt attention the speech the Prime Minister made in Saint John, New Brunswick. He spoke glowingly of the opportunities the Maritime people would have in trade with the populous area of the northeastern United States. But how can we get into these markets without good transportation facilities? I invite the Prime Minister and I invite the Minister of Regional Economic Expansion (Mr. Marchand), who obviously is Crassus to Caesar, or Mark Antony to Augustus Caesar—one of the triumvirate, in any case—to reflect upon the importance of good transportation arrangements.

An hon. Member: Which one is Octavius?

Mr. Macquarrie: I would not like to say who that is. Nothing today is simple or direct. Must everything be complicated? Must everything be planned, super-planned, organized and reorganized? Cannot an assault upon long-standing problems be made in a frontal way? Does it take a genius to know there is tremendous potential in the Fundy tides? Does it take a Ph.D. to get accross the truth that as long as the sun, the moon and the earth endure there will be tremendous power in that tidal force? What does it require to convince the federal government of the tremendous value of developing tidal power? Does another century have to pass into history before they will listen? How long, how long, how long?

Does it require elaborate repetition to get across the truth that in the Altantic area, as in other regions, it is good economics and good administration to develop those things in which, to use the classical economists' phrase, we have a comparative advantage? In the midst of the elaborate spending on the regional development program in Prince Edward Island no way has been found, to give a homely and meaningful example, to get a freezer built for the 1¼ million tons of blueberries produced in Hillsborough constituency alone. No way has been found to build a carrageen extracting plant. Thousands of men in the Atlantic provinces harvest thousands of tons of Irish moss. This moss is taken to Denmark or to the United States for final processing and then it is sold back to Canada. Would it not be a splendid thing to build an extraction plant right in the area?

We have in the Atlantic region capacities for improvement and economic advancement but not, it is likely, the capacity to become a great industrial region. We have already lost our industries to Montreal, and we did that before Montreal was made a designated area. But we have a tourist capacity which is magnificent—we do not have to say it; others have said it. What would the establishment of another national park do for Prince Edward Island? I say these things knowing that the Minister of Regional Economic Expansion is piloting the bill before us. But I have always thought that he should not be the sole repository of consideration in the realm of regional disparity. The government as a whole must be aware of the need to recognize the disparity which exists among the regions. There is no point in the minister working to overcome these disadvantages if other aspects of government take no note of these things.

There are so many practical ways in which we could improve our situation. What is needed in Atlantic Canada is a recognition that the sea is not a deterrent but an opportunity. There is wealth on the sea, in the sea and under the sea, and our maritime complexion is something we should cherish and develop. I am looking forward to the day when my province and the province of the hon. member for St. John's East will be one province.

Mr. McGrath: Hear, hear!

Mr. Macquarrie: I can see ways in which both provinces would be improved and in which Canada would be improved. Why not an accelerated program of shipbuilding subsidies so that we could get over to them with the greatest ease and efficiency to supply the outstanding products of our excellent soil—soil which, they say, as a result of a geological movement a very long time ago came originally from the extraction of their topsoil, since combined with our own.

Mr. McGrath: Hear, hear!

Mr. Macquarrie: So we have a double complement of soil fertility.

Mr. McGrath: You have ours.

Mr. Macquarrie: I want to make a distinction there. As a matter of fact, they have a higher birthrate than we do. I must say I was impressed by the sensible and sensitive speech of the Prime Minister. As to the possibility of trade, how much would it cost to upgrade, to enlarge, to construct a fleet of ships which would ply between the Atlantic provinces and the Commonwealth Caribbean? Is this not just the kind of expenditure which would be practical and meaningful? If these things could be done for Atlantic Canada, backed by the energy of our people, an energy all the greater because of many years of neglect, then we shall not worry about Montreal being designated. We, too, like Montreal. Montreal is ours. The whole country is our land.

I call on the minister with all the fervour one can command at nine o'clock in the evening to adopt an imaginative program. The minister has made many mistakes, as he himself admitted in his testament or release a while ago. Although he has not always been wrong, I know that he will make more mistakes. However, I hope he will take a little more local advice, that he will not be cribbed, cabined and confined by his bureaucratic, technocratic advisers but will take that broad sweep for which he has been famous through the years, will look at the Atlantic provinces and say that something must be done for people in that region in order to help them move forward.

• (9:00 p.m.)

One of the minister's predecessors in the cabinet, Hon. Walter Gordon, was going to move the Maritimers, though they had been moving to Montreal and Toronto long since. I should like to see Maritimers moved forward, not moved out. I should like the federal government to take its share of responsibility. We entered confederation because we were wanted. Even little Prince Edward Island was wanted. Bargains were struck. We lost something by entering; we gained a lot by entering. If confederation means anything, it is a sharing not only of the advantages but of the disadvantages. The federal system works, in so far as it is efficacious, only to deal with and iron out some of the disadvantages that the federal structure imposes on regions.

Speaking for the one area which longer than any other has suffered from these disadvantages, I ask for something more than this measure. We will, of course, accept it with all our reservations. We are aware of the special problems that have arisen and we know that something must be done in other areas of Canada. We know that we in the Maritimes do not benefit from having unemployment all across the country. God knows, we want to fight unemployment all across the country. But I say to the minister, let him never reside in confidence upon this bill and feel that the job is even half done.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I want to say a few words about Bill C-205 which proposes a number of changes to the Regional Development Incentives Act. I am sure that most members of the House welcome the changes that will be made, some of which I think are aimed specifically at problems in Quebec and have probably been spawned by events of recent weeks. To this extent we welcome them.

However, before I get to more specific parts of the new legislation I want to spend a few minutes taking a general look at the problems of regional inequalities and disparities in Canada. Regional inequities have been with us in this country for many years, but I think the tragedy is that since the 1920s, when statistics were first compiled in relation to regional problems in this country, the gap between the have and have-not regions has not been narrowed. This gap is evidenced in many ways, the most obvious of which is in the income of those who live in the have-not regions. For example, I note that from 1962 to 1964 the average per capita income of people living in Ontario was twice the average per capita income of

people in the province of Newfoundland. Many other examples are to be found in other regions of Canada.

In the matter of unemployment, we have in Canada today a very high unemployment rate throughout the country. However, in some regions it is twice as high as it is in the more wealthy parts of Canada. This disparity has been evident over the long term as well. For example, from 1956 to 1960 there was an average unemployment rate in the Maritimes of 10 per cent, while in the province of Ontario the rate was 4 per cent. What is the result of this situation? It means, first of all, that the opportunities offered a person and his family depend upon the area in which he lives. It is the area of the country in which he lives, not necessarily his ability, that determines his standard of living and his family's opportunities. As a result of these disparities among the various regions of the country, people face problems that you cannot really calculate, that are immeasurable in terms of human sacrifice and struggle.

As we all know, regional disparity in Canada is losing this country millions of dollars every year by way of lost productivity, because we are not operating at capacity. If there were no regional problems, this problem would not arise. Because of this, those people who live in the more depressed areas are caught in a vicious cycle of poverty. As a result of low income, high unemployment and low productivity, the people in these areas suffer from lower educational standards than people who live in the more affluent parts of the country. They have more inadequate health and welfare services. When their children grow up and acquire a skill or some form of training, they see them move to different parts of the country in search of employment.

The regional difficulties that I have described pose a real challenge to national unity in Canada. We will not achieve national unity and we will not be sure that confederation is here to stay until we make certain that each and every area of Canada is an equal partner in that confederation. I think that social and economic disparity in Canada creates more problems for trying to maintain unity in this country than anything else. This fact seems ironic in view of what has happened in recent years. Just 2½ years ago when the Prime Minister (Mr. Trudeau) took over the reins of government, he talked about a new look and a new approach in Canada. He stressed national unity and talked of solving the problems of regional disparity and regional poverty. In addition, he talked a lot about participatory democracy.

When we examine what has happened in those 2½ years we find there is probably more disunity in Canada today than ever before in the history of the country. Since the hon. member became Prime Minister of Canada we have seen in the province of Quebec the rise of a separatist party that captured 24 per cent of the vote in that province. In recent months and weeks we have seen terrorist activities unprecedented on the North American continent. In addition to this, in the last 2½ years we have heard a great deal about a new phenomenon—western alienation.

I suggest that these conditions have been caused by the disadvantaged position of people in the poorer regions, both socially and economically. This has resulted from the increase in unemployment in areas such as Quebec, the Maritimes and certain parts of western Canada, which in turn has meant increased poverty. Before you have discontent and violence you must have a breeding ground. I suggest that the Prime Minister and his government must bear much of the responsibility for the unrest that we have in Canada today. This Prime Minister, through his lack of policies, has probably contributed more to disunity than any other Prime Minister. Certainly there has been no regional policy to remove the inequities between one region and another. This is obvious when we consider some of the problems plaguing the country. Before you can do anything about regional disparity in Canada you have to do something about the general economic situation in the country as a whole.

Consider for a moment the present unemployment rate. Over the last few months Canada has experienced the highest unemployment rate of any industrialized nation. I do not think this is something of which we can be proud. This country is rich in natural resources and technical knowledge, yet we have the highest unemployment rate of any industrialized country in the world. When we look at the incidence of unemployment we find it is much worse in the Maritimes, eastern Quebec and the Prairies than it is in the more industrialized parts of this country. We also observe that unemployment is hitting the youth of this country pretty hard. Just today questions were raised in the House about the high level of unemployment among the young people of Canada. Nearly half our unemployed are under the age of 25. We cannot be proud of this. About 38 per cent of our unemployed live in the province of Quebec. I suggest to the government that this is one of the reasons many of the people in Quebec are taking separatism very seriously; they see it as one way of getting away from the lack of policies on the part of the federal government.

• (9:10 p.m.)

When we are dealing with unemployment figures and statistics we do not always reveal the actual number of people who are unemployed. I suggest that there is hidden unemployment in Canada. Many people have dropped out of the labour force and, for one reason or another, have failed to register this fact. In any small town in Saskatchewan we find servicemen, repairmen, carpenters and people of this type are working on a part-time basis because there is not sufficient full-time work. These people are not registered and are not counted among the unemployed. In the province of Saskatchewan many hundreds of young people are going back to their homes on the farm because they cannot find work in the cities to which they migrated. These people are not counted as part of our unemployed. We find the same situation among women. Many women have given up trying to find a job and have gone back to the home. They, also, are not tabulated and do not become part of the unemployment statistics.

What is the result of this situation? The result is immeasurable harm to and difficulty for individuals, as well as the loss of millions of dollars in productivity and output. All this is unnecessary in Canada, where we have the resources and the knowledge with which to eliminate unemployment. I have just returned from western Europe. Many of the people there, when they learn about the unemployment rate in some regions of Canada, can hardly believe it because in many European countries unemployment is seldom experienced at a rate as high as ours.

We must also consider that our growth-rate has pretty well stopped. It is at least one of the lowest of the industrialized nations of the world. The other day the chairman of the Economic Council said that because we are not growing as rapidly as we should, and because we have a high unemployment rate, we are probably losing about $4 billion a year in productivity. Government spokesmen have said that this figure may be as high as $5 billion.

When there are problems like these throughout the country, it is no wonder that we have problems in the less advantaged regions. Before we can solve the problems of the poor regions of this country we must solve the problems which face the whole country. There are many problems in Canada because our economy is mismanaged and it is an economy that by no means is achieving its potential. We have witnessed the fight against inflation, with the government tolerating an unemployment rate that is too high. We have found that the fight against inflation has failed because the government has only been able to reduce prices on a marginal basis, at a cost that has been extreme. The fight against inflation has been very much a farce.

I should like to outline some of the reasons for the special problems which exist in some regions of Canada. Two years ago we heard that the government was going to create a department responsible for regional economic expansion. Those in our party who had for many years asked for such a department had some hope. We had hope for two reasons. First, the government realized the need for such a department. This gave us hope. Second, this new department was to co-ordinate all the plans of the government into a master plan. I suggest that the regional economic policies put into effect have become a dismal failure. They have not narrowed the gap between the haves and the have-nots in Canada. As a matter of fact, this gap has probably been widened.

The program has failed dismally for two reasons. First, I do not think the government has the power to exercise real control over the Canadian economy. It does not control the economic levers which might be used. The main decisions are still made by multinational corporations, and the government is very timid when dealing with them. The second reason is that the government does not seem to have an over-all plan to cure economic disparities in Canada. It is approaching this situation on an ad hoc basis, in a diffused, confused and unplanned way. The government is spreading too little over too much of the country, and because of this the program has been very ineffective.

Most of us in this party thought when the minister introduced this legislation that he should have particularized a program for dealing with specific regions. We were told by one hon. member speaking on behalf of the government that too much of the country should not be designated because the plan would then be ineffective. Now, in 1970, we find that most of the country is designated. On the basis of the minister's views, this means that the plan is ineffective. I suggest that if the Regional Development Incentives Act is to be effective, the government must be selective in regard to regions. We do not have that selectivity.

I now wish to comment on the program of grants made to industries which locate in certain areas. When the plan was first introduced, a maximum of 25 per cent was paid by the government. The minister did not think this would work. Now we are to have grants amounting to 50 per cent. The Minister of Regional and Economic Expansion (Mr. Marchand) is handing out carrots to free enterprise, hoping that industry will come in and solve the problem. This program is not working and I cannot understand how the minister can rationalize this approach. When the minister appeared before the committee, he said the grant would be 25 per cent of the total amount expended by an industry. One of the members of the committee asked him why it would be 25 per cent and not 30 or 35 per cent. The minister said that if the grant was any higher it would be ineffective and we would only be giving money to free enterprise and private concerns. The minister suggested that if this were done, we might as well run the plants ourselves. Now the minister has turned around and is doing this. I suggest he is either hypocritical in his approach or he lacks the courage to stand up and confront the corporate structure in Canada in the way he should on behalf of our people.

I suggest we need a Canada Development Corporation to set up Crown corporations. Such a corporation could establish industries in economically depressed areas. This is the only way we will solve problems of regional disparity. I do not think the minister's bag of carrots is helping. I do not think it will help if he hands out bigger carrots. We do not need this type of Santa Claus in Canada. If we are to solve our regional problems we must take different action.

I have also suggested that one reason the government has not had much success in its regional development program is that it has not the courage to take over control of the Canadian economy. We are left with a country that is dominated by multinational corporations. We find that in Canada many of the decisions are made in the boardrooms of huge corporations outside our boundaries. If we really are to confront the problems of regional disparity and regional poverty which face so many Canadians, we must regain economic control of our country and have the economic levers in our hands.

• (9:20 p.m.)

Instead of doing this, we are moving in the opposite direction. We find that many of the subsidies and grants under this program are given to private industries and corporations that are not Canadian. We continue with a policy of continentalism which puts the decision-making process more and more solidly into the hands of multinational corporations outside the control of our government. This means that not only do we lose control of the decision-making process, but that we are exporting jobs to the United States.

We are basically exporters of unfinished products and importers of manufactured goods. Because of this we are exporting many jobs each and every year to the United States and other countries. This is the result of our having a branch plant economy and the government not having the courage to stand up and reverse the trend of continentalism in Canada. But even worse, I believe we are the only country in the western world that sets very few rules in respect of foreign corporations which come into our country. We do not just let them come in; we plead and beg them to come in, and we subsidize them. Under the new department we are still doing this.

What makes it even more hypocritical is that much of the money foreign corporations invest is our money, Canadian money. This money could be invested in the name of Canadians but we are not doing this today. We must regain the Canadian economy we have lost so that we can properly plan it. We must put the needs of people first, instead of the needs of huge, multinational corporations and instead of saying that the needs of the corporations are the needs of society. Once we regain control of our economy we can start planning to really eliminate regional disparity. First we must regain control of the economy, then plan to eliminate regional poverty and regional disparity.

There are many other matters I could mention, but perhaps I should end by asking the minister a series of questions about why the government is doing some of the things it is doing, and what plan it has for the future. I ask the government why grants to corporations, many of them large corporations, are being made without a firm assurance from the corporations or industries as to their future plans. Why is there not more planning, and why are not more assurances being sought from these industries? Why is there so little emphasis on development in these areas, and why is there so little emphasis on the use of Crown corporations or co-operatives in developing the depressed areas of Canada?

We must find a more effective way to alleviate regional problems than by moving in private industry. Many people feel there is not a real regional plan that is co-ordinated, a plan that knows where it is going. Why do we have a plan which is so ad hoc in nature, so unmanageable and so big that it is rendering itself very ineffective? There is a task to perform. There are problems we will have to solve, and I believe these problems are very acute. If we are to keep Canada together and if Canada is to enjoy its 200th birthday, we must solve many of the regional problems which confront us, because if all regions of this country cannot be equal partners in confederation, perhaps the country will not stay together much longer. I suggest it is the responsibility of the federal government to make sure that all regions have an equal opportunity and receive equal benefits from confederation.

As the speaker who preceded me said, we must share the advantages of confederation as well as the disadvantages. If we do not do that, let us not sit here in smug complacency and ask why there is a separatist movement in Quebec which is rapidly becoming strong. This movement really started after the election of the Prime Minister and this government to office, a Prime Minister who should have experience and knowledge of the province of Quebec. However, the Prime Minister does not appear to have this knowledge and experience. I do not think we should be sitting here and asking why there is so much discontent, when 20 per cent of our people live in poverty and another 20 per cent live on subsistence wages in a country blessed with affluence, abundance and technological knowledge which could do so much for the average Canadian. The burden rests upon the government, and much could be done through the Department of Regional Economic Expansion.

It is time we started moving, instead of playing games and dangling carrots before the eyes of foreign firms which really are not interested in developing Canada for its people.

Mr. McKinley: Mr. Speaker, I wonder whether the hon. member for Yorkton-Melville (Mr. Nystrom) realizes that what he is requesting of the government is quite similar to that which took place in Saskatchewan, according to a reading of the book of Douglas in Saskatchewan—

Mr. Deputy Speaker: Order, please. With respect, I think the hon. gentleman's question might be argumentative.

Mr. Douglas (Nanaimo-Cowichan-The Islands): You had better read from the record instead of that Chamber of Commerce propaganda.

[*Translation*]

Hon. Theogène Ricard (Saint-Hyacinthe): Mr. Speaker, it is not my intention to make lengthy remarks, but I cannot let the discussion on Bill C-205 come to an end without making a few comments.

The purpose of Bill C-205 is to control unemployment and at the same time to stimulate if possible the economy throughout the country.

I have been expecting this measure for quite a long time. In fact, I made a number of representations in the past in favour of the recognition of the Saint-Hyacinthe area as a designated area. So, I am glad to see that the Minister of Regional Economic Expansion (Mr. Marchand) has acted according to the announcement of the

Minister of Finance (Mr. Benson) in his budget statement.

It is somewhat paradoxical on the part of the Minister of Finance, who exerted himself in order to create unemployment, to rely now on his colleague, the Minister of Regional Economic Expansion, to repair the blunders he made while fighting inflation.

• (9:30 p.m.)

Unemployment has spread all over Canada and more especially in the province of Quebec, on a seemingly permanent basis and it is high time that something be done to solve this problem.

The most recent statistics show that there were 476,000 unemployed workers in Canada in November, including 168,000 in Quebec.

Whoever has had anything to do with manpower or labour will easily admit that the misery resulting from such a situation is catastrophic and has a tremendous impact on the population.

It has become exceedingly urgent, since this action has come too late, to change this situation.

If my interpretation of the hon. minister's remarks is correct, one of the bill's provisions would cover grants to firms and another would provide a guarantee for loans.

The legislation seems to me to be a fair one, and can be extremely useful since it will allow many small industries to avail themselves of such loan opportunities.

Many firms could have benefited by such legislation in the past. In my region, we lost industries which could have continued to provide employment, had my representations been acted upon earlier. For instance, we lost a shoe factory. Many other industries have had to cut down on their staff.

The implications this can have on the economic situation of a medium-sized city like Saint-Hyacinthe can readily be imagined, particularly when the same situation prevails in other similar municipalities.

During his speech this afternoon, the minister said he expected that within a few months, this measure would create at least 15,000 new jobs and that nearly 50,000 more would follow later. We greatly need them, in order to create a sound economic climate in Canada and especially in the province of Quebec.

I would not think of blaming the minister for that. I merely want to express my satisfaction to see that, at last, he has taken the necessary steps to make of the area of Saint-Hyacinthe a designated area and thus, remove an injustice that was causing very great difficulties to all the people in my riding, and particularly in the city of Saint-Hyacinthe.

I reiterate my satisfaction to see that the minister has introduced this legislatcon and I expect very encouraging results.

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to make a few remarks on this important legislation.

[Mr. Ricard.]

Like my colleague the hon. member for Saint-Hyacinthe (Mr. Ricard) who took this opportunity to express his views, I think that it is also normal that the representatives of other ridings should take this opportunity to do the same.

Living in a province which has largely benefited from grants these last two years, I would be ill-advised to blame the government or the minister.

However, I respect what has been said by some of my colleagues who represent other parts of Canada and maybe they have not obtained as many subsidies as they wished. They should inform the responsible minister.

In all objectivity, I feel it is my duty to express my satisfaction with the bill, and my satisfaction, as a Quebecer, with the grants of which the province of Quebec may have benefitted in the last two years and also with the concern shown by that department for the past and present difficulties facing Quebec.

At any rate, I do not think that the Department of Regional Economic Expansion can offer a final solution to all our country's economic problems. I do believe, however, that it constitutes a means of improving the situation just as other departments must find quickly some other remedies.

I will not hesitate to speak objectively, because I have always wished for and demanded this objectivity. Needless to add that I am satisfied with the bill. For the past two years, I have been the elected representative of a riding that does not have the same advantages as some others.

I took care to ask for the consideration of the minister on behalf of the intermediate groups and the various municipalities of my constituency. I admit most humbly but with great satisfaction that last week's statement recognizing my constituency as a "designated area" was good news both for my electors and for myself. After informing the minister of the special reasons which led us to ask for such special designation, I cannot but thank him for his objectivity in dealing with briefs submitted to him.

It is obvious that with this special designation we will be better able to compete with other designated areas. These grants provide our municipalities with an efficient tool, but they have the responsibility of creating a climate that will encourage investments, of offering at least the necessary services to the industries interested in setting up plants in our ridings.

I would like to take this opportunity to ask for very special attention, since we always refer to "special areas". Of course the Sainte-Scholastique airport project not too far from my own riding will require the Quebec government to undertake certain works to accommodate this airport.

Negotiations are presently under way between Quebec and Ottawa and I trust that the minister will make every effort to expedite matters so that, as a result, we get this designation of "special area", which would, once again, allow the people of my riding to see its rate of unemploy-

ment decrease and that would contribute to assure the economic stability in my area.

I am pleased that this bill has been introduced, since it is so important for both new and existing industries for which I have already requested special assistance. Now, the bill under consideration will encourage them to expand and modernize and still attract new industries interested in establishing in our constituencies if they are given the necessary assistance.

Some people claim that commercial operations would benefit from the provisions of the bill. I am pleased about that. Special development incentives could be granted concerning specific projects to be carried out in the next two years and the maximum amount of the incentives will be 10 per cent. I do not have to repeat the figures since the bill has already been tabled.

Those important and profitable changes for any new industry will create a more favourable economic climate. The members who represent ridings involved will not hesitate to support this bill.

Again I emphasize this freedom to express personal opinions in the House. I would be the last one to criticize the general policy of the Department of Regional Economic Expansion as I consider that the province of Quebec has received its fair share. As a member for this province, I can but express my gratitude for the minister's good offices and for the interest he took in solving Quebec's problems.

I must not forget to invite the Minister of Regional Economic Expansion (Mr. Marchand) to think of all parts of Canada. I believe he does. I also know it is not easy to please everyone at the same time, but I trust that Canada's economic policy will be such that it will soon attract investments not only in some areas but throughout the country in order to create a better economic climate.

I trust my remarks will encourage the minister to act, and will have the approval of the House. Indeed, we all want to build a better Canada; we all want to see the government become more and more responsible and spend as much money as is humanly and financially possible, as a certain politician often says, for the greatest good of the Canadian people as a whole.

• (9:40 p.m.)

[*English*]

Mr. Steven Otto (York East): Mr. Speaker, the minister looks very tired. I was talking to him a minute ago and I was going to be rather critical of his department, but because he is so tired and because I want to be kind, I shall make just a few suggestions.

Mr. Gilbert: Oh, sock it to him!

Mr. Otto: In my old age, Mr. Speaker, I am softening up.

Mr. Benjamin: In the head.

Mr. Otto: Mr. Speaker, the concept of regional expansion is a good one; it has worked in many cases. But I have reservations about two points. First, there is very little emphasis in the department on the recreation industry. All areas try to attract manufacturing concerns. They think there is something magical about manufacturing. Therefore, we spend about $2,000 or $3,000 per job to put a plant where it does not really belong, thinking this is the way to build up the economy of the country or the area. This is just not so.

Some time ago the United States government decided it would not support recreational facilities in northern New York State and northern Illinois. Indeed, that government said it would recognize the Madawaska Valley, the northern and central part of Ontario, as a recreation area for the whole of the northern United States and Canada. Therefore, the logical thing would seem to be for our Department of Regional Economic Expansion to help expand facilities in that area. This means getting people interested in building good accommodation, year-round accommodation, because if you are exporting climate, snow and water it is something that is very easy to do and also it is very lucrative. It produces over $1 billion a year and employs a lot of people. Yet when the IDB is approached for a loan for this purpose it replies, "We are really concerned about manufacturing. We will give you so much for a new plant and so much for the machinery." When someone approaches it about a recreation facility, it expresses great reservations.

There is a distinct lack of interest by the department in this field, one that would be extremely lucrative. Therefore, I urge the minister to advise his officials that there is nothing taboo about recreational facilities. If we are to promote any industry, we should recognize the tourist industry, the recreation industry, as a bona fide industry. Austria and Switzerland have done so. Austria, in particular, within the last eight years has made a fortune on it. What are the Austrians selling? They are selling snow in the Alps. They are selling after-ski festivities and the local wines. They are attracting American and Canadian tourists. We do not mind American tourists coming to Canada to spend their money, but Americans want good facilities and Canadians now want good facilities, and that does not mean having to live for a week in a two by four shack. Those days have gone. We must provide first-class tourist accommodation. We must encourage the establishment of schools to teach Canadians how to manage and run proper, year-round recreation facilities. That is where our future lies.

My second point of criticism is in connection with the ideas of departmental officials regarding the location of new industry. In particular, the department does not make use of a great amount of talent and know-how available in our Canadian executive cadre when deciding where industry should go. I am not saying this is the minister's responsibility but I point out that some time ago Clairtone was induced by the Nova Scotia government to move to the Maritimes. If the department—I am speaking of the provincial department—had talked to three or four people who knew the business, those people would immediately have said that it was a dreadful mistake because the manufacture of highly sophisticated sound and television equipment would not be undertaken

profitably in Nova Scotia; it is too far from the market and it is too costly to transport the goods. It requires a pool of expert knowledge. In this type of industry you cannot isolate yourself in a small community and hope to make a profit.

• (9:50 p.m.)

What happened was that Clairtone pretended to get out of the jam, but instead they got in deeper and the provincial government is now looking into the situation. I think they own practically all the shares, but the company is going down and I do not think anything would save it. I have talked to several businessmen about the Maritimes, some of them very knowledgeable about things in the area around Sydney. It is their opinion that this is the ideal place to establish a steel industry—not just the general, over-all steel ingot industry but a sophisticated steel industry. The coal is right there and 600 miles away at Sept Isles there is the ore. Although I think the coal has a high sulphur content, it is good for the production of stainless steel. But no one has suggested getting advice from the people who know, in order to establish an industry that would be viable. The same thing would apply elsewhere.

I suggest to the minister that before his department goes out on tangents they should consult those who are knowledgeable. It only needs two or three people knowledgeable about business to say that they want an industry in a certain area; I guarantee that within a week they could say what the right industry for that area would be and could give facts and figures. No department of government is completely foolproof. I would suggest closer liaison between department officials and people knowledgeable in business. Canadians would be only too happy to co-operate. On occasions, before an industry was established I have known people to comment, "I guarantee it will not work" and they were right. But they have also said, "This is the logical place for this type of industry."

Another example is the Gananoque area. I have heard many people suggest that without doubt this area would be ideally suited for a recreational area, for pheasant hunting. So it is only a few birds, but do you know that in Alberta they take in about $13 million a year from Americans? Americans from New York State fly all the way there to shoot a few pheasants because we have not developed a closer area. The Gananoque area would be ideally suited. There are people within our department who have evidence that this would be a logical place, but it needs a little encouragement. I see the minister laughing, but $13 million going into the Gananoque area would not be bad. Alberta has lots of oil and gas, so they are not worried about a few pheasants.

It is this sophistication that I ask the minister to consider and discuss with people who know the business to the extent that they could advise the department. The department would, of course, emphasize recreation in the many areas of Canada where recreation would be a logical and lucrative development.

Mr. Gilbert: I wonder if the hon. member would permit a question. I listened with interest to his remarks. He mentioned the Clairtone firm which has a television and hi-fi business in the Maritimes. I understand the reason for that was not only to create new industry in the area but to create a market in the northeastern United States. I understand that one of the main reasons they failed was—

Mr. Deputy Speaker: Order, please. The hon. member has the floor for the purpose of asking a question. He should ask the question.

Mr. Gilbert: Mr. Speaker, I am getting right to the question. The reason they failed was that other television companies would not provide services in the northeastern part of the United States. I wonder whether the hon. member has any advice to give Clairtone arising out of his experience, so that they could overcome this difficulty and make it a success in that area.

An hon. Member: Good question.

Mr. Otto: Mr. Speaker, the last thing I want to do is give Clairtone advice at this stage of the game, because I do not think any advice would be advantageous. What I meant to point out was that right from the beginning there was no possible way in which Clairtone, or the manufacturer of sophisticated equipment, could succeed in the Maritimes. I said that this type of industry requires a fluid and constant supply of sophisticated labour. That does not mean a stabilized supply. It requires, also, immediate proximity to the market, preferably away from the New York market which produces ten times as much and more cheaply. If the hon. member would review the history of Clairtone he would find that it should never have been located there. It would have succeeded in Toronto or Montreal, but certainly not in the Maritimes.

Mr. Gilbert: Mr. Speaker, one further, short question.

Mr. Deputy Speaker: If the hon. member has a short question which will take one minute.

Mr. Gilbert: Does the hon. member realize that only nine companies produce television and hi-fi equipment in Canada, seven of which are American, the two Canadian companies being Calirtone and Electrohome? If Clairtone collapses, all we have left is one Canadian company to service Canada and develop an export trade. Does the hon. member realize that?

Mr. Otto: Mr. Speaker, I was not discussing Canadianism or nationalism. I was giving an example of an industry going into the wrong place because of lack of foresight. It really did not matter what happened, the same result would have been obtained. If they had stayed in Toronto, their chance of success would have been much better and then we might have had two or three companies.

PROCEEDINGS ON ADJOURNMENT MOTION

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

NORTHERN AFFAIRS—REFERENCE OF LAND USE REGULATIONS TO STANDING COMMITTEE

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, on December 2 I addressed a question to the Minister of Indian Affairs and Northern Development (Mr. Chrétien). I asked if he would confirm in the House a commitment he gave to the Standing Committee on Indian Affairs and Northern Development during the previous session to refer to that committee the draft regulations on land use for the territories. The minister replied:

Mr. Speaker, I cannot grant the request of the hon. member because the regulations involved have not yet been approved by the governor in council, but as soon as they will have been approved, I will try to determine whether that question can be referred to the Committee on Indian Affairs and Northern Development.

I was unhappy with that answer because it leaves two questions up in the air. First, the question of whether the minister will in fact refer these regulations to the committee at all and, second whether he will refer them to the committee for consideration in a manner which will make it possible for those wishing to discuss the content of the regulations to appear before the committee.

For that reason, Mr. Speaker, I should like to draw to the attention of the House statements made by the minister to the Standing Committee on June 2, 1970. At that time we were considering the amendments to the Territorial Lands Act which made possible the drafting of land use regulations. If the minister were here he would probably recall that one of the Liberal members of the committee at the outset of the hearings, to use the vernacular, almost blew his stack. He said that we were being asked by the government for a blank cheque. However, by June 2 he had simmered down and did not oppose passage of the amending bill. As reported at page 58 of *Minutes of Proceedings and Evidence No. 23* of the Standing Committee on Indian Affairs and Northern Development, the minister said several things. I wish to quote some of them. Near the bottom, left-hand part of the page we find these words:

• (10:00 p.m.)

Mr. Nielsen said earlier that the word of the minister is the strongest power in the north, so—

An hon. member interjected, "You better believe it." The Minister of Indian Affairs and Northern Development went on to say,:

I appreciate that, but I even offer to share this with you—

Meaning the power.

—because when these regulations are drafted I will refer them to the committee for study.

A little later he said:

As I said before, it is quite urgent to have some regulations because right now there are no regulations. In many aspects in the North we could face a dramatic situation if we do not move fast enough and that is why I am making this presentation to the committee.

I should remind the House that the hon. member for Kootenay West (Mr. Harding) has been asking the minister questions relating to the exploration for oil and the regulations or controls with regard to the use of the land by those who were exploring. Following some other remarks by the minister, I said:

Could I ask a question for clarification, Mr. Chairman? The minister indicated he is prepared, when the regulations are complete, to refer them to the committee. By that does he mean he will refer them to the committee before or after their proclamation?

The minister replied:

It will depend on the timing. I think the committee could look into that, and I do not mind the delay, but it will be a matter of timing. I do not think I can avoid facing my responsabilities as a minister of the Crown and proclaim the regulations if it is urgent to proclaim them, because that is the responsability that is vested in me... But if I can send them to the committee and permit the committee to have a look at them before we proclaim these regulations, I will be happy to do so. As I say, if we decided tomorrow to ban certain kinds of trucks in the north I have absolutely no authority to say to a company, 'I do not want the kind of truck in the north that destroys the ecology', and so on. If they have their truck there they can go along with my wish, but they are not obliged to. The casing of an oil well, for example, is a very important item and I do not want to take any chances on it.

I then asked whether I understood correctly.

—that the minister is undertaking to refer this to the committee if not before the recess at least in the fall, when the committee could have those regulations before them in a form which the committee, if it so desired, could call expert witnesses to give evidence with respect to their views on whether or not the regulations were adequate or inadequate in any way.

The minister replied:

I would be delighted to have your advice on these regulations and to have you make recommendations on whether they are not strong enough or too strong, and if the recommendations that you make are good, I will be happy to take your advice and change the regulations before or after proclamation.

Mr. Deputy Speaker: Order, please. I regret that the hon. member's time has expired.

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, under the terms of the Territorial Lands Act, the land use regulations must be discussed with the territorial councils prior to implementation. The department is prepared to have these discussions and will do so as soon as the councils meet. There has been a delay, of course, because the Northwest Territories Council was dissolved several months ago in anticipation of the election which is to be held later this month, on December 21. As soon as the council meets, the department will discuss the regulations with them.

After the regulations have been discussed with the councils, and prior to approval by the Governor in Council, they must be advertised in the Canada Gazette. This will give all interested individuals and groups an opportunity to examine the regulations and comment on member on December 2, it will then be determined whether this matter should be referred to the Standing

Committee on Indian Affairs and Northern Development. As a member of that committee, the hon. member for Comox-Alberni (Mr. Barnett) can certainly make a recommendation to have them referred, if he so desires.

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE—ALLEGED INFILTRATION OF FLQ CELLS

Mr. René Matte (Champlain): Mr. Speaker, in the absence of the Solicitor General, last Monday, I asked the Prime Minister (Mr. Trudeau) whether officers of the Royal Canadian Mounted Police had infiltrated FLQ cells, I got another silent answer, as I do quite often.

I understand that that is a delicate matter. The acknowledged and necessary discretion of the police—and particularly of the Royal Canadian Mounted Police—as well as state reasons can prevent the government from giving a satisfactory answer.

However, hon. members and the rest of the population have a right to adequate information in order to avoid misunderstandings and ambiguities which leave doubts about the efficiency of police action.

Everyone knows that infiltration is one method used by the R.C.M.P. Court cases have often proved it. Recently, the press reported an incident involving a rock group whose main performer was an R.C.M.P. agent. In most cases, such a method meets with success.

This is why it would be most curious if nobody had thought of infiltrating the FLQ. The Front de Libération du Québec has been in existence since 1963. Practically everything is known about its leaders. Last year, Mr. Saulnier appeared before a Parliamentary Committee in Ottawa and submitted a thick file in this regard. The case of the Maison du Pêcheur, at Gaspé, is another proof of this.

It would therefore be quite normal for R.C.M.P. headquarters to have instructed their agents to act as pro-FLQ.

That would explain why they seemed so little worried about the kidnapping of James Cross. They knew what was going on behind the scenes and what is more, according to press reports, policeman had even rented the apartment right above the one where Mr. Cross was held prisoner.

Why put newspapers in one of the doors of the car carrying the kidnappers and Mr. Cross from des Récollets Street to the Canadian Pavilion at Man and His World? To hide Mr. Cross? Goodness, everyone had seen his picture since October.

Was it to hide Carbonneau or Lanctôt? We had seen pictures of them in all the newspapers. Only one has not been seen; his identity is unknown to everybody and even the police and the Quebec Minister of Justice cannot say anything about him. He is the famous Pierre, known as Pierre Séguin.

I am asking a direct question, Mr. Speaker: Is the man known as Pierre Séguin an agent of the Royal Canadian Mounted Police?

If so, we should be told, otherwise certain methods of our police forces will have to be revised and the principle according to which prevention is better than cure will have to be put into practice. We understand the need for evidence before a court but between that and risking a kidnapping when it can be prevented, there is a big difference.

Mr. Speaker, perhaps the unexpected and sadistic way in which the Chénier cell acted prevents the government from boasting about the police action which, through infiltration of the FLQ, would have saved this country from the so-called apprehended insurrection.

• (10:10 p.m.)

[*English*]

Mr. Alastair Gillespie (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, all members of the House will share the concern of the hon. member for Champlain (Mr. Matte) for the security of the state. In answering his question may I say that in accordance with long-established practice it is not in the public interest to reveal this type of information.

POST OFFICE—CHRISTMAS MAIL DELIVERY

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on November 26 I asked the Postmaster General to transmit to the Minister without Portfolio in charge of the Post Office my question concerning the paucity of mail deliveries during the Christmas season, a situation whereunder the people of Canada have no mail on Friday, December 25, which is Christmas; December 26, which is Boxing Day and a Saturday, and none on December 27 because it is Sunday. All of these we understand. But none on December 28, a Monday, is surely of some importance. I was astounded, therefore, to hear from the Minister without Portfolio on December 8 that the Postmaster General had not transmitted this question to the minister now in charge of the Post Office. Surely this says something about the roster system. It also says something about the communicating capacity of the Postmaster General who is also Minister of Communications.

I do not enjoy criticizing the Minister without Portfolio who has inherited an appallingly difficult task. He has in the House always displayed courtesy and consideration and has the capacity to bring such qualities to the administration of a department which has been so trouble starred in the past two years. It is therefore with the best motives that I ask him to reconsider this lacuna of delivery service. A black-out from Thursday to the following Tuesday is too much even in the post Kieransian age. Mail still has value to many Canadians, although some of the disastrous so-called reforms of the minister's predecessor drove away many customers, diminishing thereby potential revenue.

It is not surprising that there has been protest against these four mailless days. Among newspapers deploring the diminution of service were the *Globe and Mail* and

the *Charlottetown Guardian*. The latter editorialized as follows:

> More money for less service. That seems to be the motto of the federal government. And nowhere does it show more clearly than in the postal department.
>
> For example over the Christmas holidays there is to be no mail delivery Christmas Day, Boxing Day. and Sunday. (These) are not working days for most people, of course, but what excuse is there for no mail delivery on the Monday after Christmas? Tying up the mails for four days in a row. Unheard of. Incredible—

Despite what the still incumbent Postmaster General may say, disruption of mail service does not improve the transmission of mail. The cessation of delivery on Saturday for urban Canadians has proved to be, as some of us predicted, a fiasco. The Davey Committee on Mass Media after a thorough study of the matter recommended as follows:

> What we do urge to assist these (daily) newspapers and almost all weekly newspapers is the earliest possible resumption of Saturday mail deliveries. The Lost Weekend has hit some newspapers almost as hard as the rate increases.

On occasions in months past when I deplored the advent and continuation of the five-day delivery, attempts were made to imply an advocacy of the six-day week. Let us not confuse the issue. Postal workers are in the main, and have been for a long time, working a five-day week. We want that for them. We want good working conditions for our postal workers. I have always been very much aware of their problems and sympathetic to their needs. But the minister represents more than the employer side of the table. He must also represent the ultimate concern of both employees and employer—the public. It is time the public interest was consulted and considered.

Let the minister begin to repair the damage in the department and restore the confidence of the public by putting the interest of all the people of Canada first. I invite him to begin by redressing the imbalance revealed in this glaring example of insensitivity to the needs of the Canadian people and a disregard for their right to expect service from the Post Office Department.

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, the Minister without Portfolio in charge of the Post Office has asked me to give his answer to a question which the hon. member for Hillsborrough (Mr. Macquarrie) put to him on November 26 last, and restated on December 8.

As I know the hon. member for Hillsborough quite well, I am sure, since he has always shown much sympathy for the workers, especially the Post Office employees, that he would not push his argument to the point of taking them away from family gatherings during the holiday season, especially at Christmas time, when he himself will be snug and warm at home, spoiled by his family, in a magnificent corner of the beautiful province of Prince Edward Island. The Canadian people do not ask as much from their Post Office employees.

However, I am told by the minister that even if home delivery is not carried out on December 25, 26, 27 and 28, the Post Office Department will provide wicket service where need be, according to local requirements.

[*English*]

Motion agreed to and the House adjourned at 10.18 p.m.

HOUSE OF COMMONS

Friday, December 11, 1970

The House met at 11 a.m.

CAPE BRETON DEVELOPMENT CORPORATION

PETITION RESPECTING PENSION PLAN OR IMPROVED EARLY RETIREMENT BENEFITS FOR FORMER COAL MINERS

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the first report of the Clerk of Petitions stating that he has examined the petition of Mr. Angus MacDougall and 12 other persons, signed at Glace Bay, on the Island of Cape Breton, in the province of Nova Scotia, and pertaining to the Cape Breton Development Corporation Act, presented on December 10, 1970, and finds that it meets the requirements of the Standing Orders as to form.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I should like at this time to express my appreciation for the fact that this petition has been received and found to be in order. I would like some guidance from the Chair in order to enlighten the House as to the proper procedure, and I say that advisedly, Sir, because this is a new Crown corporation set up to deal exclusively with a local problem. The information I have received in reply to a letter I wrote would indicate that the situation is very much misunderstood. For this reason I ask the Chair and the House for guidance on whether it is proper under Standing Order 67 for me to ask that this matter be immediately debated in view of the urgency of the situation.

Mr. Speaker: I think the proper procedure at this stage is for the hon. member to seek leave of the House to have the petition read. To my knowledge there is no strict or clear provision in the Standing Orders for the reading of a petition, but Citation 343 of Beauchesne's Fourth Edition indicates that an hon. member has the right to request that a petition be read by the Clerk of the House and in that way given that measure of publicity. This would require the consent of the House. I ask whether the hon. member, by leave of the House, may have the petition read?

Some hon. Members: Agreed.

The Clerk:

To The Honourable The Commons Of Canada
In Parliament Assembled

The Humble petition of the undersigned Canadians, resident in the Island of Cape Breton and Province of Nova Scotia, who are persons for whose benefit and the benefit of their dependants your Honourable House intended to provide pension arrangements.

Sheweth:

That Her Majesty, by and with the advice and consent of the Senate and your Honourable House, did enact the statute entitled the "Cape Breton Development Corporation Act", chapter 6 of the Statutes of Canada 1967, which said statute came into force, upon proclamation of the Governor in Council, on the 1st day of October 1967;

That section 18 of the said statute provides that the Cape Breton Development Corporation shall, by by-law approved by the Honourable the Treasury Board, establish, manage and administer pension arrangements for the benefit of persons, among whom are your Petitioners, employed or formerly employed in certain coal mining and related works and undertakings on the Island of Cape Breton, and for the benefit of the dependants of such persons;

• (11:10 a.m.)

That the said Corporation, purporting to comply with the said section 18, has put into force and effect a "Pre-Retirement Leave Plan", so-called;

That the Pre-Retirement Leave Plan is an income supplement scheme and is not a pension arrangement; and the benefits paid thereunder are designed and intended to supplement other forms of assistance received or to be received so as to raise the total assistance received to—but not above—certain dollar amounts fixed under the said Plan, with the result that the assistance paid by the Corporation decreases or ceases as other assistance is increased;

That the said Plan specifies that assistance received by way of unemployment insurance benefits is assistance within the meaning of the Plan; and the Plan requires that persons who are on pre-retirement leave under the Plan must use up their full benefit entitlement based upon their unemployment insurance contributions;

That the Government announced on the 3rd December 1970 that, effective the 3rd January 1971, unemployment insurance benefits will be increased by ten per cent;

That your Petitioners and their dependants will not benefit by the said increase in unemployment insurance benefits inasmuch as the Cape Breton Development Corporation will deduct, to its own use and benefit, the amount of such increase from the amount of the supplementary assistance paid by the Corporation within the income ceiling fixed by the Plan;

That this loss to your Petitioners and their dependants will commence on the 3rd January 1971;

That except by petition to your Honourable House no remedy is available to your Petitioners whereby they may obtain relief of this grievance before the 3rd January 1971 or at all;

Wherefore your Petitioners humbly pray that your Honourable House will find means of prevailing upon Her Majesty's Government and the Cape Breton Development Corporation:

1. To revoke the Pre-Retirement Leave Plan and to substitute therefor pension arrangements based upon pension principles; or alternatively, to provide for improved early retirement benefits for your Petitioners and their dependants based upon the principle already approved by Her Majesty's Government and referred to in the recommendation of His Excellency the Governor General which is printed in the Notice Paper of your Honourable House at page 3, for the 9th December 1970, and which recommends legislation to improve early retirement benefits for certain categories of persons employed in the Public Service; and

2. To provide an immediate remedy for the present personal grievances of your Petitioners that, commencing the 3rd January 1971, they and their dependants will suffer financial losses not intended by your Honourable House when providing, under section 18 of the Cape Breton Development Corporation Act that pension arrangements must be made by the Cape Breton Devel-

opment Corporation, with the approval of the Treasury Board, for your Petitioners and their dependants; and

3. To provide such further and other relief in the premises as to your Honourable House seems just and meet.

And your Petitioners, as in duty bound, now prayeth and will ever pray,

And your Petitioners have, and each of them hath, signed at Glace Bay, on the Island of Cape Breton, in the Province of Nova Scotia, this 6th day of December, in the year of Our Lord One Thousand Nine Hundred and Seventy.

The petition is signed by Angus MacDougall and others.

Mr. Speaker: This is perhaps where we reach the point the hon. member anticipated a moment ago concerning whether a motion pursuant to the petition filed can be entertained at this time. The hon. member has correctly referred to Standing Order 67(8) which reads in part as follows:

—or if it complain of some present personal grievance requiring an immediate remedy, the matter contained therein may be brought into immediate discussion.

As hon. members know, there are very few precedents in modern times of the House having adjourned its business for the purpose of considering a petition. The only precedent I could find, and which I looked at in view of the fact that the matter was brought to the attention of the House yesterday by the hon. member through the filing of the petition, is the Raymond Rodgers case reported in the *Journals* of the House of Commons for Friday, October 19, 1962. The *Journals* record that by unanimous consent the petition received the previous day and read to the House be referred to the Standing Committee on Privileges and Elections. I think it is relevant and important that this had been done by unanimous consent of the House.

Should there be unanimity in the House that the petition referred to by the hon. member be referred to a committee of the House, perhaps the hon. member might be invited to indicate to what committee he wishes the petition to be referred. I would think that this is the way in which a petition of this nature should be dealt with rather than by a procedure which is akin or very closely related to either Standing Order 43 or Standing Order 26. Perhaps the hon. member might indicate for the guidance of the Chair and of all hon. members what motion he had in mind to submit to the House in relation to the petition.

Mr. MacInnis: May I say at the outset that I had no motion in mind and I was relying upon the good will of the House to give unanimous consent under Standing Order 67. I was hoping that, since there is an immediate remedy available, the House would take this opportunity to examine the matter. I have quite a number of copies available of section 18 of Bill C-135.

As I said before, the problem here is that I believe most members of the House are not familiar with this legislation, and I do not say this in a derogatory sense. Here we have a Crown company set up to deal with a local issue. I do not think hon. members have examined carefully what they passed in the House. Because I believe the matter has not been examined sufficiently I ask that the House give permission for a debate on this matter, and I ask that all members of the House consider whether there is any reason why any Canadian should not receive that which this House voted for in Parliament.

[The Clerk.]

Mr. Speaker: I think the hon. member has made his point clearly and if he agrees with the position suggested then the matter might be considered at this time and debated by unanimous consent, but the House would have to decide whether there is such a desire or whether that the matter should be referred to a committee. I am not sure whether the Government House Leader has a suggestion to make in this regard.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I appreciate the importance of the subject matter of the petition. I have not an opportunity to examine the petition but I listened to it as carefully as possible. I think it would be unwise to make a final decision this morning as to what process we should follow. Certainly I would be unwilling to suggest that we suspend the normal business to continue on another important measure. Nor would I be willing to agree to send the petition to a standing committee until I have had an opportunity to examine it and to consider it together with the minister responsible for the operation of the corporation. However, I will undertake to carry out that examination and to consider the matter at a later date.

Mr. MacInnis: Mr. Speaker, when I tabled this petition in the House yesterday I did so under Standing Order 67. The petition having been tabled in respect of a matter of vital importance to Cape Bretoners and it being an unusual procedure, I assume that the government and especially the Government House Leader would have interested themselves in the contents of that petition, especially a petition on a matter so close to the House Leader's heart. It is an unusual case and I hope for the good will and the support of the House in this matter. My whole argument rests entirely on the written legislation and on what was provided by the government in the House. I ask for nothing other than what was provided for in the legislation, and I only wish to get it in the most expedient way possible. I will go along with the House Leader's suggestion as to a committee, but I only hope that hon. members will acquaint themselves with what we have given to these people but have not delivered.

• (11:20 a.m.)

Mr. Speaker: Order, please. I think that perhaps the suggestion made by the House Leader and by the hon. member for Cape Breton-East Richmond is a good one. Perhaps the matter might be taken under advisement for consultation later on.

ROUTINE PROCEEDINGS

CANADIAN NATIONAL RAILWAYS

TORONTO-WINNIPEG PASSENGER SERVICE REDUCTION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to ask the House for unanimous consent to move a motion under Standing Order 43. The CNR has announced that one of its two daily trains between Toronto and Winnipeg may be withdrawn on January 31, 1971. Therefore I wish to move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House calls upon the government to urge the CNR to halt its proposed stoppage of this vitally important passenger transportation service.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Winnipeg North. Under the terms of Standing Order 43 unanimous consent is required. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent to put the motion at this time.

* * *

INDUSTRIAL RELATIONS AND DISPUTES INVESTIGATION ACT

PROVISIONS RESPECTING PAYMENT OF DUES BY NON-UNION EMPLOYEES, STATUS IN DECERTIFICATION APPLICATIONS

Mr. Frank Howard (Skeena) moved for leave to introduce Bill C-209, to amend the Industrial Relations and Disputes Investigation Act.

Some hon. Members: Explain.

Mr. Howard (Skeena): Mr. Speaker, the intent of the bill is to permit an employee working in a plant or operation which has a certified bargaining agent or union attached to it to refrain from joining or to cease to be a member of that particular union without risk thereby of losing his employment, provided he pays to the union under the Rand formula concept an amount equal to the regular dues in effect from time to time. It also provides that in any decertification process such employees who opt out pursuant to the provisions of the bill are not to be considered to be taken or taken into account as employees for the purposes of the decertification process.

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

Inquiries of the Ministry

CRIMINAL CODE

AMENDMENT RESPECTING VALUE OF GOODS STOLEN IN RELATION TO PUNISHMENT FOR THEFT

Mr. Robert C. Coates (Cumberland-Colchester North) moved the first reading of Bill S-8 (from the Senate), to amend the Criminal Code.

Motion agreed to and bill read the first time.

ORAL QUESTION PERIOD

LABOUR CONDITIONS

UNEMPLOYMENT—EASING OF QUALIFICATIONS FOR INSURANCE BENEFITS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to ask the Prime Minister a question relating to unemployment. As it is now indicated by the unemployment figures that perhaps some 77,000 of the unemployed are not receiving unemployment insurance benefits, and in view of the general agreement that it is going to be quite a difficult winter in terms of unemployment, will the Prime Minister not undertake to re-examine the question as to the advisability of some amendment of the laws relating to unemployment insurance to provide, at least on an interim basis, some easing of the qualifications for unemployment insurance assistance this winter?

Right Hon. P. E. Trudeau (Prime Minister): I am not aware of these figures, Mr. Speaker. I shall ask the Minister of Labour to look into the matter.

INCREASED UNEMPLOYMENT AMONG YOUNG PEOPLE—INTRODUCTION OF NEW POLICIES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, the Prime Minister has had a day to reflect upon the seriousness of the scale of unemployment among Canadian youth and to consider the adequacy of present policies with regard to employment of Canadian youth. Is the Prime Minister now in a position to offer to the unemployed youth of Canada some hope that new approaches will be adopted other than those indicated by the Minister of Manpower and Immigration yesterday?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Leader of the Opposition has had a day to reflect upon my answer. I suggested to him that in our general fiscal and monetary policies it is hard to suggest they should discriminate against the aged people in favour of youth. They apply, of course, to all citizens.

Mr. Stanfield: Mr. Speaker, I think the Prime Minister is genuinely concerned about disaffection amongst Canadian youth and about preventing civil unrest. Will he instruct his ministers to examine this problem and the prospects for Canadian youth in the coming year or so with a view to taking adequate measures to reduce this inhumane and dangerous treatment of our youth?

Inquiries of the Ministry

Mr. Trudeau: Mr. Speaker, I repeat that we are concerned about unemployment and unemployed people, not only the youth. I do not know whether the Leader of the Opposition is suggesting that we should discriminate against the unemployed who are older in favour of young people.

EXTENT OF UNEMPLOYMENT AMONGST PROFESSIONALS

Mr. Thomas M. Bell (Saint John-Lancaster): I have a supplementary question, Mr. Speaker, for the Prime Minister. In view of the fact that there are large numbers of unemployed among professional workers in Canada, an indication of the sad state of the Canadian economy, will the Prime Minister take immediate action to publish figures showing the extent of the waste of this most valuable asset?

Mr. Woolliams: Mr. Speaker, I wonder if I could ask a supplementary question?

Some hon. Members: Oh, oh!

Mr. Bell: With your permission, Mr. Speaker, I would be glad to have the Prime Minister answer my question and the one from the hon. member for Calgary North at the same time. It would save him getting up twice.

UNEMPLOYMENT—REQUEST FOR DEPARTMENTAL FORECASTS

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my supplementary question is addressed to the Minister of Manpower and Immigration who is also in charge of the Wheat Board. Is the minister prepared now to make available to hon. members the information he has available in his office which supports the position he took yesterday on national television that there will be a substantial increase in unemployment in Canada over and above what was announced yesterday?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I am not sure that the hon. member is accurately reporting anything that was said. There was an exchange in the House yesterday about figures being available. I have nothing to add to that exchange at this time.

Mr. Stanfield: You have nothing to add, period.

Mr. Lundrigan: Mr. Speaker, I wonder if the Minister of Finance would be willing to make available to the House the information he has available, and the Minister of Labour as well? I understand there is considerable evidence in the cabinet and in the Department of Manpower and Immigration which indicates that the prognostication as far as unemployment is concerned—

Mr. Speaker: Order, please. The hon. member has asked the question.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I have no information to make available.

[Mr. Stanfield.]

[*Later:*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, may I direct a question to the Minister of Manpower and Immigration. Is he prepared to table estimates made for unemployment for 1971, month by month, which have been prepared for the government?

Mr. Lang: Mr. Speaker, may I refer the hon. member to the exchange which took place in the House yesterday.

INCREASED UNEMPLOYMENT AMONG YOUNG PEOPLE—REPAYMENT OF STUDENT LOANS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a supplementary question to the Minister of Finance. It is the same question that I directed to the Prime Minister yesterday and he informed me that the Minister of Finance would be in the House today. The question concerns loans to students who are graduating and are unable to meet their liability within the six months. Are the Minister of Finance and the government prepared to extend the time for payment until those students who cannot find work are employed?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, there are provisions under the Canada student loans plan whereby the banks making the loans can extend the repayment period up to ten years and they can also delay the time of the initial payment if they so desire. The period can also be extended beyond ten years upon application to the Department of Finance in special circumstances.

Mr. Woolliams: Mr. Speaker, I wonder if I might follow up that matter. The information I have from the students at Calgary University and other universities is that pressure is being brought to bear on them by the banks. Will the minister take to heart the welfare of the students and take them out of the hands of the banks?

Mr. Benson: Mr. Speaker, the funds were borrowed from the banks. If my hon. friend will give me specific instances, I will be pleased to take them up with the banks.

UNEMPLOYMENT—ALLEGED STATEMENT BY MINISTER OF MANPOWER AND IMMIGRATION INDICATING INCREASE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, may I ask a supplementary question of the Minister of Manpower and Immigration in connection with some remarks he made on radio and television last night. Does he not admit that he told the Canadian people during the dialogue he had with the press that he expected that there would be an increment in unemployment in the next few months? Did he not say that, or did the media not record his statement correctly?

Mr. Speaker: Order, please.

Mr. Diefenbaker: I ask him, did he not say that?

Mr. Speaker: Order, please. The right hon. gentleman will no doubt recognize that the question is asked in a

form which is hardly acceptable. I hesitate to suggest that he ought to rephrase the question. Perhaps it might be better to allow the minister to reply.

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I will try to indicate to the right hon. member what I believe I said in answer—

Mr. Diefenbaker: I want what the minister said, not what he believes he said.

Mr. Speaker: Order, please. I did not think that the minister would reply in those terms. We have tried to follow the general rule that no question should be asked directly of ministers about statements made outside the House. That is why I thought that the question should be asked directly and not in reference to what the minister might have said outside the House. Perhaps the minister could reply in those terms.

Mr. Diefenbaker: Mr. Speaker, the minister will understand what I have in mind. According to the records that he has and the prognostications and prophesies that have been developed in his department, does he expect there to be a material increase in unemployment during the next two or three months?

Mr. Lang: Mr. Speaker, the efforts which the government has taken on the fiscal and monetary side are expected to have an impact in favour of a better unemployment picture than would otherwise have been the case.

Some hon. Members: Better unemployment?

Mr. Lang: Of course, one normally expects slightly higher unemployment as the winter deepens. This is, therefore, a factor against which the effective policies of the government are working.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: There will be increased unemployment; that is what the minister is saying.

Mr. Stanfield: We ought to export that minister to the Common Market.

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COMMUNICATIONS

REPORT ON MASS MEDIA—CORPORATION PROFITS AND CONCENTRATION OF POWER—GOVERNMENT ACTION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Prime Minister which arises out of the report of the Special Senate Committee on the Mass Media. In view of the findings of the committee that the profits earned by media corporations, that is, by both broadcasters and publishers, are, in their words, extraordinary and astonishing, and in view of the evidence of the growing concentration of power in the hands of fewer and fewer of these media corporations, what action does the government propose to take? Is the government studying the matter? Is any particular minister or department of the government looking into this matter? Also, will the Prime Minister or one of his ministers fairly soon give the House some indication of what course the government intends to follow?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have not yet considered the report in cabinet. When we have considered it, we will announce the government's course to the House.

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FINANCE

LIMITATION OF AMOUNT OF ADVERTISING DEDUCTIBLE FOR INCOME TAX PURPOSES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Finance. In view of the very large mass media advertising revenues, which have doubled since 1960 and are expected to increase by another 25 per cent by 1975, is the minister giving any consideration to the possibility of limiting the amount of advertising which can be used as a deductible item for income tax purposes?

Hon. E. J. Benson (Minister of Finance): Not at this point, Mr. Speaker.

TAX CONCESSIONS TO "TIME" AND "READER'S DIGEST"

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, may I direct a supplementary question to the Minister of Finance. Since the House of Commons Standing Committee on External Affairs, the Senate Committee on the Mass Media and the Liberal convention have all recommended the discontinuance of the special tax exemptions for *Time* and *Reader's Digest*, will the minister now act upon that advice and end these special exemptions?

Mr. Speaker: Order, please. It seems to me that the question is a repetition of one asked previously. I may be wrong. Perhaps the minister might reply to the question.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, if there are to be any changes in taxation, they will be announced in the House in the usual manner.

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IMMIGRATION

QUEBEC LEGISLATION ON INTEGRATION INTO FRENCH-SPEAKING CULTURE—CONSULTATIONS WITH FEDERAL GOVERNMENT

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. In view of the new legislation presented to the National Assembly of Quebec regarding the integration of immigrants into the French-speaking culture, can the minister say what consultations were held between the two levels of government on this matter?

Inquiries of the Ministry

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, there have been consultations between the officials in the respective departments of immigration in connection with co-operative action which might be taken to improve our immigration practices and procedures and to improve the way in which immigrants are received when they enter Canada.

Mr. Paproski: Can the minister say if this new policy of refusing immigrants admission into 19 medical and technical corporations unless they have a working knowledge of French applies to immigrants coming to Quebec under the auspices of the federal department of immigration?

Mr. Lang: Mr. Speaker, I am not aware of the problem to which the hon. member refers, but I will be glad to look into it.

Mr. Paproski: Mr. Speaker, may I ask a further supplementary question?

Mr. Speaker: Order, please. The Chair will recognize the hon. member for a further supplementary question in just a moment. Will the hon. member kindly allow me to suggest to hon. members that I will again seek their co-operation at the beginning of the question period so that we will have no difficulty at the end.

Mr. Paproski: Mr. Speaker, is the government aware of the comment of the Quebec Minister of Immigration that any interference from Ottawa could lead to confrontation?

Mr. Speaker: Order, please. The hon. member for Prince Edward-Hastings.

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LABOUR RELATIONS

GENERAL MOTORS STRIKE—ACTION TO EXPEDITE SETTLEMENT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Minister of Labour. Since this is not his duty day in the House and as this is an important question, I will direct it to the Prime Minister.

Mr. Trudeau: Is it an important question?

Some hon. Members: Oh, oh!

Mr. Hees: Good morning.

Some hon. Members: Hear, hear!

Mr. Hees: Mr. Speaker, I am waiting for quiet. In view of the breakdown of negotiations in the General Motors labour dispute which occurred yesterday, will the federal government immediately offer its mediation services and any other help which might be useful in order to bring this very long and costly strike, which has resulted in hardship for the families of the strikers and a setback for the economy, to a very rapid end?

[Mr. Paproski.]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is nothing that the Minister of Labour likes more than being helpful in this kind of situation—

Some hon. Members: Hear, hear!

Mr. Trudeau: —but of course this is a strike under provincial jurisdiction. I do not know if the hon. member is suggesting that we should interfere in the business of the government of Ontario in this strike.

Mr. Hees: I am suggesting that the government should offer any help that might be useful, because this is a matter of national importance and it is of great national importance that this strike should be brought to a quick end.

Mr. Trudeau: Mr. Speaker, I understand the suggestion but I imagine it is addressed to the government of Ontario. If it wants our support, we will of course gladly give it.

GENERAL MOTORS—IMPORTATION OF CARS FROM UNITED STATES WHILE CANADIAN EMPLOYEES STILL ON STRIKE

Mr. J. Edward Broadbent (Oshawa-Whitby): In view of the deadlock in the negotiations to settle the General Motors strike, would the government reassess its decision not to prohibit General Motors from importing automobiles from the United States for the duration of this strike?

* * *

GRAIN

BARLEY—PRICE SPREAD BETWEEN DELIVERIES TO COUNTRY ELEVATORS AND FEED MILLS

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is directed to the minister who is responsible for the Wheat Board. Since western farmers delivering barley to country elevators are receiving 30 cents per bushel less than they would receive for the same product delivered to feed mills, what action is the government taking to ensure that farmers are not financially penalized by placing barley in export position?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I should like to welcome the hon. member to the House. Farmers, of course, may deliver their barley to feed mills to the extent that there is demand for that barley at the prices which are offered. As an alternative, in most cases they deliver their barley to the Wheat Board under the Wheat Board marketing system. I would be interested to know if the hon. member is suggesting that he is opposed to the Wheat Board marketing system.

ABILITY OF FARMERS TO DELIVER TO ELEVATORS

Mr. S. J. Korchinski (Mackenzie): I have a question for the Minister of Manpower and Immigration who is also

responsible for the wheat board. The other day the minister suggested that the wheat board system will take in 250 million bushels, thereby saving the cost of storage under the Temporary Wheat Reserves Act. Since there is an approximate capacity of 550 million bushels in the country and terminal elevators, under the grain policy announced by the minister is it the case that farmers will not be able to deliver grain even though space is available in the elevators?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, a number of times I have expressed the hope that the elevators be kept from that very full level which prevents them operating efficiently and effectively and that the amount of grain in the system should be the amount required for genuine marketing reasons. There will, of course, be less wheat in the system than there has been for a long time. At the same time, there will be much more need in the system for space for handling the very large quantities of barley and rapeseed moving forward to export markets.

Mr. Korchinski: As the elevator system will not accommodate 300 million bushels, and taking $1 per bushel as the average price for barley and other grains, what suggestion has the minister to offset this $300 million loss which will affect the total economy of the Prairies?

Mr. Speaker: Order, please. I suggest to the hon. member that the kind of statement he seeks from the minister ought normally be made on motions.

Mr. Korchinski: Because of the fact there will be a loss of approximately $300 million to the western economy, is the government contemplating any other policy to cover this loss?

Mr. Lang: The hon. member's premise is completely wrong, Mr. Speaker. He insists on continuing to forget and ignore barley and rapeseed.

ABOLITION OF TEMPORARY WHEAT RESERVES ACT

Mr. Craig Stewart (Marquette): Mr. Speaker, on Friday, December 4, as recorded at page 1755 of *Hansard*, I directed the following question to the minister in charge of the wheat board:

> Mr. Speaker, could the minister advise the House what the estimated savings to the government would be this year by abolishing the Temporary Wheat Reserves Act?

The minister replied.

> Not at this point in time but I probably could obtain some figures for the hon. member.

Does the minister now have these figures?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Not yet. Mr. Speaker.

Inquiries of the Ministry

CANADIAN NATIONAL RAILWAYS

REQUEST FOR GOVERNMENT COMMITMENT RESPECTING PENSIONS TO EXPEDITE HOUSE BUSINESS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Minister of Transport. I am asking this question on behalf of the Government House Leader who is anxious to have certain items of business dealt with before the Christmas recess. Is the government considering making a commitment concerning CNR pensions along the lines recommended unanimously by the House?

Hon. Donald C. Jamieson (Minister of Transport): In view of the preamble to the hon. member's question, I presume I ought to discuss this with the House Leader. As the hon. member knows, such a commitment on the part of the government at this time would be inappropriate in view of the fact that the pension issue is among those being discussed by the unions and the railroad in the current bargaining sessions. I stated to the House previously, and I repeat, that I have formally advised Canadian National Railways of the unanimous concurrence of the House in the report. I feel that it would be appropriate to see what changes emerge from the bargaining session now under way.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Has the government only advised the CNR of the unanimous decision of the House or is it talking to the CNR in plain language?

Mr. Speaker: Order, please.

* * *

[*Translation*]

NATIONAL SECURITY

PROPOSED ESTABLISHMENT OF COMMITTEE TO INVESTIGATE REASONS FOR FORMATION OF FLQ

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Prime Minister.

Since several intermediate bodies would like the federal government to set up a committee made up of members of all parties in the House, in order to determine exactly the causes of the FLQ movement and the troubles which occurred in Quebec, does the government intend to accede to that request?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, such a request has not been referred to me. If it were submitted I would consider it, but I do not see *a priori* why we should accede to it. The causes of the FLQ come under the police which makes the investigations in that field or under the political and social order. In my opinion, nobody can be better acquainted with the facts than those who have been elected by the people.

Inquiries of the Ministry

[*English*]

FINANCE

INTRODUCTION OF LEGISLATION BASED ON WHITE PAPER ON TAX REFORM

Mr. Gordon Ritchie (Dauphin): I have a question for the Minister of Finance. In view of the great uncertainty on the part of business and commerce and their plans for future expansion as a result of the white paper on taxation, when does the minister expect to introduce legislation for tax changes based on that document?

Hon. E. J. Benson (Minister of Finance): In the spring budget, Mr. Speaker. I might clarify my answer. The spring budget will include tax reform but not necessarily the entire contents of the white paper.

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HOUSING

ACTION TO INCREASE CONSTRUCTION OF PUBLIC HOUSING —INCENTIVES IN NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): I have a question for the Minister without Portfolio in charge of housing. While statistics indicate progress in housing starts in the low-cost sector, will the minister advise if anything is being done in co-operation with the provinces to step up production in the area of public housing where the needs remain acute in many parts of the country?

Hon. Robert K. Andras (Minister without Portfolio): During 1969 and 1970 the federal commitment to public housing will have had the effect of doubling the whole stock of public housing in two years compared with the previous activities of some 25 years. That emphasis will continue into 1971 and beyond. In addition, we have offered to the provinces of participation the idea of acquiring from existing stock through long-term lease accommodation for which we will share in terms of public housing subsidies. In this way, they will be in the position of not having to wait for new building production or provide capital investment.

Mr. Marshall: In view of the high cost of construction in the province of Newfoundland, which is causing delays in providing this type of housing, will the minister consider incentives for the construction industry in the province in order to create an impetus to overcome the serious shortage?

Mr. Andras: Mr. Speaker, we embarked on that in an exploratory way this year. We will certainly continue discussions with the provincial government of Newfoundland and any members of the industry who are willing to sit down with us to see what can be done in this field.

Mr. John Gilbert (Broadview): A supplementary question. Does the minister think that spending 60 cents per capita on public housing is sufficient to meet public housing needs?

Mr. Speaker: Order, please.

[Mr. Trudeau.]

POST OFFICE

RESTORATION OF SATURDAY MAIL DELIVERY IN LIGHT OF MASS MEDIA REPORT

Hon. Robert L. Stanfield (Leader of the Opposition): I have a question for the Minister without Portfolio in charge of the post office. It arises from the emphasis placed upon improved postal services by the Senate committee. Does the minister specifically propose having the post office return to Saturday deliveries in view of the importance attached to this by the Senate committee in connection with a vigorous press in Canada?

[*Translation*]

Hon. Jean-Pierre Côté (Minister without Portfolio): Mr. Speaker, we found the Davey report very interesting. The department is now examining the part of the report that concerns it and, in fact, I think the question is a little premature. We shall be able to reach conclusions once we have studied the matter.

MONTREAL—DISCUSSIONS WITH FORMER EMPLOYEES OF G. LAPALME INCORPORATED

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a supplementary question.

Considering the answer the minister gave last week to the effect that the file on the employees of G. Lapalme Inc. had not been shelved, could he say whether there were negotiations in Ottawa this week and whether those former Lapalme employees can still hope to be hired by his department?

Hon. Jean-Pierre Côté (Minister without Portfolio): This is a very delicate matter, Mr. Speaker. There have been no meetings with former employees of G. Lapalme Inc. for two weeks when they were offered something for the Christmas season. We hope to meet with them soon.

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[*English*]

COMMUNICATIONS

INQUIRY AS TO INCREASE IN COST OF CONSTRUCTION OF SATELLITE

Mr. David Lewis (York South): I wish to address a question to the President of the Treasury Board. Has Treasury Board approved or does it have before it for approval any increase in the cost of construction of the satellite Anik from the bid submitted by Hughes Aircraft which the government accepted in the amount of $30 million?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think the hon. gentleman perhaps does not appreciate the fact that the construction of and arrangements for the launching of the satellite are carried out by a Crown corporation. Questions regarding changes in cost would have to be directed to, and information obtained from, that corporation.

Mr. Lewis: I do not appreciate that the President of the Treasury Board cannot give this kind of information. The matter may not come before Treasury Board, but is the President of the Treasury Board aware of any requested increase?

Mr. Drury: Mr. Speaker, I am not aware of any increase. As I indicated, the role of the federal government in respect to this matter is to scrutinize and to approve an annual capital budget for the corporation. Control of that budget rests with the corporation. They are the ones who negotiate and agree to, or otherwise, price changes.

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NATIONAL SECURITY

PAYMENT OF REWARD FOR INFORMATION LEADING TO DISCOVERY OF KIDNAPPERS—POLICE FORCES INVOLVED IN SEARCH

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask the Prime Minister whether or not any consideration has been given to or allocation made of the reward which was undertaken to be provided by the federal and provincial governments to anyone giving information in connection with the Cross or Laporte cases. In view of the fact that Mr. Cross' whereabouts were found, is any reward being considered for those who gave the information that led to the discovery of the kidnappers?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must say frankly that I know of no such reward having been paid. May I go on to say that if I did I do not see how the House could expect me to take it into my confidence. Obviously if a reward is paid as a result of information given by some of the associates in the crime, it would be undesirable to have their colleagues in crime know that they had been informed upon, and I doubt whether it would be in the public interest for the government to reveal such information.

Mr. Diefenbaker: I must say, Mr. Speaker, the argument advanced by the Prime Minister is very ingenious. I am not asking for the identity of the individuals who received the reward; I asked whether or not consideration has been given to making a payment. In view of the evasiveness of the right hon. gentleman's first answer, I am led to ask a second question. Were any other police officers or members of the secret service participants in the search for the whereabouts of Mr. Cross other than members of the Royal Canadian Mounted Police, the provincial police of Quebec or the city police of Montreal?

Mr. Trudeau: Mr. Speaker, I know of no other police forces. The armed forces, of course, assisted greatly in various parts of this operation. I must take exception to the hon. member's allegations about my being evasive in answering his previous question. I assure him that I was not evasive. I told him quite frankly not only that I thought it would be against the public interest to say whether or not a reward had been paid but that I felt the names of the persons to whom a reward might be paid should not be disclosed either.

Mr. Diefenbaker: What is being hidden now?

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FISHERIES

DECIMATION OF STOCKS—ACTION TO PROTECT INSHORE FISHERMEN

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, I have a question for the Minister of Fisheries and Forestry. In view of the minister's press release yesterday which indicated that it has been determined by the Fisheries Research Board that activity of foreign fleets through overfishing has seriously decimated our fishing stocks, what immediate action is the minister proposing to take to protect our inshore fishermen?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, I have outlined several times in the House the steps that we are taking. We are describing what we regard as sound conservation practice, and bilateral discussions are being had with certain countries. We are working through the North Atlantic Fisheries Commission, which is our main hope, and we are preparing a strong submission to the next Law of the Sea Conference sponsored by the United Nations which may be held in 1972.

INTERNATIONAL CONFERENCE ON MARINE RESOURCES

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, in view of the fact that the minister of external affairs and some members of our Canadian delegation at the United Nations feel that it might take five years for an international Law of the Sea Conference to be held, would the minister be prepared to approach other members of the cabinet in order to try to convene an international conference on marine resources, sponsored by Canada, perhaps within the next year, year and a half or two years?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, I am not as pessimistic as the hon. member; I believe there will be a Law of the Sea Conference in 1972.

Mr. James A. McGrath (St. John's East): A supplementary question, Mr. Speaker. In view of the seriousness of the matter alluded to in the minister's statement, is he prepared to use his initiative to convene an extra special conference of ICNAF to discuss conservation solely?

Mr. Davis: Mr. Speaker, the next meeting of ICNAF will be in the spring, and we will certainly be stressing the findings of our Fisheries Research Board at that time.

Mr. Lloyd R. Crouse (South Shore): A further supplementary question, Mr. Speaker.

Mr. Speaker: Order. I will allow a further supplementary, but I would bring it to the attention of hon. members that I see at least 30 members and there are only five minutes remaining in the question period.

Mr. Crouse: Mr. Speaker, my supplementary is to the minister of fisheries. Is the minister giving any thought to implementing the scientific and technical arm of NATO in order to bring this serious problem of overfishing to the attention of member countries in the hope of alleviating this problem?

Mr. Davis: Yes, Mr. Speaker, but I do not think it will have much effect on the Russians, the Poles and the East Germans who are not members of NATO.

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INDUSTRY

BOOK PUBLISHING—ONTARIO ROYAL COMMISSION—PRIOR CONSULTATION WITH FEDERAL GOVERNMENT—COMPLEMENTARY ACTION

Mr. John Burton (Regina East): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce. Did the government of Ontario consult the federal government before it appointed a royal commission to investigate the problems of the Canadian book publishing industry, and does the federal government intend to take any complementary action relative to this and other recent related developments?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Not me, Mr. Speaker, but the study done by my department on this industry was provided to the Ontario government. We are still looking at this industry and have set up an interdepartmental group to look at ideas that could be developed to help the printing industry. I might add that one of the things that could be done is for the United States to amend its copyright act which would be very helpful to the Canadian industry, and in this regard a number of representations have been made by the government of Canada to the government of the United States.

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HOUSING

RENT SUBSIDIZATION PROGRAMS

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my question is for the minister responsible for housing and urban affairs. When the minister speaks of giving the citizen the opportunity to choose, does he mean that his department is considering giving more importance to rent subsidization programs? If so, when are such programs to be announced?

Hon. Robert K. Andras (Minister without Portfolio): As I indicated a few minutes ago, Mr. Speaker, we have offered to all provinces federal participation in rent supplements, under which they could acquire existing accommodation under a bulk lease or purchase arrangement. This would obviate the necessity for producing new housing accommodation. Rent supplement has been a standing offer for at least the last two years, an offer which has not been taken up by any province to any extent. One of the problems is that adequate housing stock in that general area which would be available to people of a certain income does not exist. So we have to produce stock as well as make the offer of rent supplementation.

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AIR CANADA

DISCUSSION OF SONIC BOOM POLICY WITH TRANSPORT DEPARTMENT

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of Transport. Did Air Canada discuss with the transport department the government's policy on sonic booms before it placed orders for a number of very costly supersonic transport planes?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the latter part of the hon. member's question is incorrect; orders have not been placed in that sense of the word. Air Canada has purchased what is known in the industry as a queue position. It has made no firm decision on the purchase of SST's, nor is it likely to do so for some time to come. Therefore the rest of the question is not relevant in that sense. But I will say to the hon. member that Air Canada has held discussions with us regarding the so-called sonic boom problem and, in fact, within approximately the last week has decided to make a contribution, together with the Ministry of Transport, to further research on an international basis on the matter of the sonic boom and related problems.

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POLLUTION

PRECAUTIONS FOLLOWING DERAILMENT OF RAILWAY CARS CONTAINING SULPHURIC ACID

Mr. Gaétan J. Serré (Nickel Belt): Mr. Speaker, I have a question for the Minister of Fisheries and Forestry relating to a question which I asked yesterday concerning the derailment of sulphuric acid tank cars near Sudbury, and the resultant threat from the spilling of this acid into the Pickerel River. Can the minister advise whether the situation is now under control?

Hon. Jack Davis (Minister of Fisheries and Forestry): The answer is yes, Mr. Speaker, it is under control.

[*Later:*]

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, my question is supplementary to one directed to the Minister of Fisheries and Forestry earlier. In view of the apparent conflict in the reports which have appeared as to the real danger of pollution as a result of the train derailment, can the minister tell the House how long the danger will exist?

Mr. Davis: The reports I have received from the area indicate that the sulphuric acid is being contained and neutralized. There is no evidence of fish kill. However a diversion of water from the French River is also being arranged to dilute the acid if further escapements should occur.

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GRAIN

WHEAT—PAYMENTS UNDER ACREAGE REDUCTION PROGRAM

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, my question is directed to the minister in charge of the Wheat Board. Will he assure the House today that the cheques for the first and second payments in respect of the LIFT program will be mailed to recipients before Christmas, as this affects many farmers in the west?

Hon. Otto E. Lang (Minister of Manpower and Immigration): No, Mr. Speaker, it is not likely that all of the final Lift program payments will be in the mail before Christmas. The office is processing these as quickly as possible but it will certainly be well into the month of January, according to the latest report, before they will be mailed.

Mr. Cadieu: I have a supplementary question.

Mr. Speaker: Order, please. The Chair has not allowed supplementary questions for the last few minutes. A number of members have been denied this opportunity. Perhaps the question might be pursued on Monday.

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INDIAN AFFAIRS

APPOINTMENT OF BLAKE A. CAMPBELL TO FISHERMEN'S DEVELOPMENT BOARD

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Fisheries and Forestry arising from a statement from the Pacific region office of his department regarding the appointment of Blake A. Campbell to the Indian Fishermen's Development Board. In view of the fact it indicates that Mr. Campbell is secretary of a committee investigating wage and price disputes in the fishing industry, I should like to ask whether this body is just a paper tiger, and if not what has it done since November, 1964, when it issued a summary review of information—

Mr. Speaker: Order, please. This question can be placed on the "tiger" order paper.

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POLLUTION

USE OF CRIMINAL CODE TO ENFORCE LAWS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Fisheries and Forestry. In view of the Reuters report this morning that the Soviet parliament has just approved an anti-pollution measure which provides for criminal proceedings against anyone found guilty of causing pollution, can the minister say whether it will be the policy of the new department of the environment to use the powers of the Criminal Code to enforce new pollution laws?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, I am not sure whether this question involves legal opinion. However, I understand that the Criminal Code underlies certain clauses in the Canada Water Act. If that is so, the answer is yes.

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FISHERIES

MANITOBA—REMOVAL OF PROHIBITION OF MARKETING OF SPECIES CAUGHT IN CERTAIN WATERS

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Minister of Fisheries and Forestry. In view of the assurances the House has received from the minister that certain industries which have been causing mercury pollution in Manitoba waters have now stopped dumping mercury, can he say whether the regulation which prohibited the marketing of certain species of commercial fresh-water fish from these waters will be lifted for this winter's fishing season? If not, when does the minister feel this order can be lifted?

Hon. Jack Davis (Minister of Fisheries and Forestry): The answer is no, Mr. Speaker, it will not be lifted.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

REGIONAL DEVELOPMENT INCENTIVES ACT

PROVISION OF SPECIAL DEVELOPMENT INCENTIVE, LOAN GUARANTEE, ETC.

The House resumed from Thursday, December 10, consideration of the motion of Mr. Marchand (Langelier) that Bill C-205, to amend the Regional Development Incentives Act, be read the second time and referred to the Standing Committee on Regional Development.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I welcome the opportunity to comment on Bill C-205 because it has a particular effect on my province and especially on my district. I probably should have said that it could have had a particular effect on my district because so far, other than the odd dribble of funds—some $11,000 to a firm to expand a vegetable packing plant, a grant to a hockey stick factory which was later not accepted, and a grant to establish a sawmill operation—there has not been too much economic or employment advantage which I have seen. It is obvious that the serious unemployment situation, which my col-

league, the hon. member for Gander-Twillingate (Mr. Lundrigan), brought forcefully to the attention of the House yesterday bears out the fact that the whole program is not having the effect that was so loudly proclaimed by the minister last year.

My main objection to the administration of the regional development incentives plan is the lack of consideration for those people who would benefit by such a plan but who cannot participate. Who knows better what is best for an area or a region than the local people who should benefit? Even though the minister has proclaimed loudly and clearly that the program would not be successful unless every level of government were involved, these people at the grass roots level are being completely ignored.

The over-all regional development plan is not succeeding because both top levels of government, federal and provincial, are dictating what will happen instead of co-ordinating and consulting with the local level of government which knows the particular area and what is best for its development. The regional development plan has discouraged local governments from participating rather than encouraging them to forward their ideas to develop the resources of their regions. The words "participation, involvement" and "dialogue" are empty because this government, and the supposed experts who are charged with formulating a plan, are committing communities, areas and regions on the basis of what comes from a book rather than on the basis of what concerns the human beings who are to be helped.

I have experienced many examples of local firms with the necessary initiative and experience in respect of local needs being turned down for incentive grants, primarily because of technical rules and regulations. It is difficult to imagine that those making the decisions are even human. Sometimes I think there are robots in the regional development incentives branch rather than qualified human beings. This is difficult to understand.

I find it difficult to understand this whole area of government loans and grants. We have the Small Businesses Loans Act. Just try to get a loan under this act in Newfoundland, unless you have enough security to indicate that you do not need a loan of that type. Initiative and experience do not mean anything in my province in the consideration which leads to its granting of loans to small secondary industries which could spring up across the province creating employment opportunities. Outside exploiters can come into the province with guarantees handed out by the provincial government. This only creates a decrease in the morale of small businessmen who could create the lifeline of our economy.

We have the Industrial Development Bank, another government agency which guarantees loans. Do not try to get a loan from this bank unless you are prepared to wait for years of investigation, and even then one has to provide not only his assets as security, but those of his family as well. One also has to accept certain restrictions which tend to destroy his initiative and morale. I feel there is some progress being made in this regard. In last night's paper I noticed an indication that Newfoundland was obtaining a few more loans, but more impetus must be developed in respect of grants and loans in order to develop the province of Newfoundland which is so badly in need of an incentive grants policy. I believe the industrial incentives grants policy has missed the whole concept of what should be the proper aims and objectives, of such a policy deprived areas. It should provide incentives for those with initiative and business ability. But this government has failed to realize what incentive means, and those to whom these incentives should be directed are not able to contribute to the buildup of the economy of their own area.

• (12:10 p.m.)

Let me give you some examples, Mr. Speaker, of the weaknesses in both the over-all development process and the incentive grants. One small firm in the city of Corner Brook employs each year between November and May some 200 people in the herring industry. This firm is gradually improving its facilities under great difficulty because of a lack of expansion capital. Last year it applied for an incentives grant and was turned down on the technicality that it had already committed itself to ordering equipment under section 9 (1). The proprietor of the firm wished to expand by installing new, modern equipment which had to be ordered from Germany six months in advance so that it would be available for the herring industry in the Fall. Yet he was refused the grant on the ground that he could have attained his objective without the help of the grant. It is admitted that the applicant was able to find the money elsewhere, but this method of financing restricted him to the point where he was unable to expand to the extent of employing many more people.

May I give another example of frustration? The owner of an electrical firm showed me thousands of dollars worth of orders he had to turn down because of the procrastination of the department in establishing a grant for the expansion of his small plant. I could cite many other examples of businessmen with initiative and business sense who were thwarted in their attempts to establish new industry in line with the province's natural resources because of a lack of flexibility in the act and the hardnosed decisions of the agency which fails to realize that one of the basic concepts necessary for the success of the plan is the encouragement of people to participate in the development of their area.

Let us look at the statistics in respect of Newfoundland for the first year. Out of almost $80 million in grants in Canada, Newfoundland received some $845,000, with a prospective employment figure of 360. This is a projected figure. So, after one year of operation, the plan has not been too effective where the need is greatest. Of the 11 grants to Newfoundland, eight were for the fishing industry, one was for electrical products and another was for the dairy products industry.

I am sure the government cannot brag about this effort. The mechanical application of this program instead of a

human and commonsense application points up the failure of the government to comprehend the objectives of an incentives policy. I have said many times in this House and in my province that the establishment of the Department of Regional Economic Expansion was the most important step taken by this government in many years. I had faith in this department because it appeared that the power it had to inject funds into provinces with areas of regional disparity was just what was needed to create job opportunities. More particularly, it was just what was needed to aid the over-all development of the Atlantic regions, specifically the Province of Newfoundland.

Last year, through the co-operation of the regional development committee on request of the Newfoundland members, the members of the committee were able to visit some areas of the province to see the needs at firsthand. Every member on the committee, including those from the other side of the House, agreed that the trip was worthwhile and indicated to the minister responsible their support for development assistance. In my district alone, some 15 briefs were presented because the people hoped the briefs would be considered, that there would be further consultation and that results would be forthcoming. Here, a year later, the many local development organizations and the town and community councils are still in the dark concerning whether or not their ideas and plans will be taken into consideration. I encouraged these organizations to become involved and to submit their ideas and plans for development. I told them to have faith in the department because I had faith in it. But I can tell you now, Mr. Speaker, I am disillusioned just as I know these citizens who want to help the government are disillusioned because the department does not care about the people it should be helping. The words flow easily from the experts, Mr. Speaker—"equality of opportunity"; we want you to become involved"; "we want you to participate"—but they are empty words, because after being in existence for two years the results from this department are negligible.

The only way in which I can see the past mistakes being overcome is by the provision of flexibility. More attention must be paid to the natural resources of the region and a co-operative plan must be thought out, with the participation of the people at the grass roots level, to develop these resources. Such action must be encouraged through grants. The advisory board concept might be the answer, because under the original plan the Atlantic Development Board was much closer to the basic needs of a particular region and produced good results by instilling impetus into the development. I also feel that development incentives should be broadened to include the service industry, small businesses in the retail and wholesale area, and tourism, especially in the Atlantic regions. More scope should be given to the marketing potential of our fishing, agricultural and forest products in the Province of Newfoundland. Each region should be looked at separately with a view to the development of its potential. More infrastructural support must be given to the areas which can be developed through an orderly and commonsense buildup so that they can attain the objectives of both creating employment opportunity for the people in the immediate area and, just as important, improving the living, educational and recreational aspects of their everyday life.

As my colleague the hon. member for St. John's East (Mr. McGrath) stated yesterday, the members of the regional development committee will closely scrutinize the proposed amendments in Bill C-205. Probably during that phase of the exercise we may be able to impress on the minister and the officials of his department the important factors connected with the granting of regional development incentives which heretofore have been overlooked as a result of the mechanical process adopted. I still have some faith in the regional development plan and hope we can overcome the shroud of secrecy which exists between those who are responsible for its implementation and those to whom it is directed. Probably with a meeting of intelligent minds we can come up with a plan which will be to the advantage of the too many unemployed of Canada.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, we are now amending the Regional Development Incentives Act which was passed in 1968-69. This really is a concept which has been with us for a considerable period of time, dating back to the old area development incentives legislation. This is one of the ways in which I think most Members of Parliament believe slow growth, underdeveloped, distressed and high-unemployment areas can be assisted. For this reason, there is considerable interest in this legislation. I think, however, that even the minister would agree that in relation to what has been done, what could be done or what was anticipated would be done, much is left to be desired. I have always been concerned about the fact that the government seems to believe that by holding out a carrot everything will be well. This has been done in many fields. We find that there are periods of high employment and periods of low employment, and when there is a period of low employment or high unemployment the government comes up with instant solutions which really do not turn out to be instant solutions and which in many cases are very costly.

• (12:20 p.m.)

At the time the original Act was before us, when a similar type of incentive was applied for a period of time, a number of concepts were discussed which I think will have to be reconsidered. For this reason, I do not believe this bill will do very much to improve some of the basic concepts.

It has been mentioned that one of the problems we are facing in Canada is that, in the main, we operate branch plants of U.S. companies. There has probably never been a country—whether it be a colony in various states of development or an independent nation—in which a foreign power has exercised so much economic control as is the case in Canada. In some of the industries foreign control is almost 100 per cent, and only in a few industries is the control of the Canadian government evident. I think that this, in itself, raises a major consid-

eration because in many cases this incentive program is being used to further develop U.S. control of our industry and of our economy.

A short time ago, I spoke to a young fellow who had only recently entered the industrial field. He pointed out that the company for which he works is in serious trouble, and he expects it may have to be sold to a U.S. corporation. One of the reasons for this difficulty is that when they make a fairly reasonable profit in Canada and the money is deposited in a bank in Montreal, the parent company in the United States phones up and asks how much money they have in the bank. As soon as the parent company knows how much money there is, it issues a draft. Then, when the company in Canada needs to expand into several industrial fields for which they have the necessary capability, staff and knowledge, they are not able to do so simply because the money is not available. The young fellow asked his manager very naïvely "why do we not apply for an incentive grant and build a plant?" Right now this company operates a small plant in Ancaster employing 12 or 15 people. I understand the 12 or 15 people will have to be laid off because that operation is closing down as it is in need of modernization and improvement. If it closes down, obviously 15 or 20 people will be out of work. Obviously, this company does not need this type of grant to keep it operating in Ancaster because it has made a fairly sizeable profit over its period of operation. However, because it is controlled by a U.S. company which has decided that the commodity which this plant produces is no longer necessary in Canada, it is going to close down.

It seems to me that if the government is really interested in solving the problem, they should not bend to political direction, as the minister said, but should make a firm decision as to the direction which the Canadian economy should take. There should be an over-all scheme which would accomplish that purpose. I am well aware of the fact that if we enact a regulation that money should not be transferred to U.S. corporations, the result would be as the minister predicted in the committee. If a company wanted to locate in Newfoundland, where there is a great need for industry, and that type of incentive were not given, the company might decide to locate in Toronto. It is time this government made up its mind where they want industry to locate. Certainly, the country cannot afford to have new industry locating in Toronto just because it wants to be close to the market. We will have to make a decision on where industry goes. England has been making such decisions for a long time.

I have used the example of the Ford Company which wanted to build a new factory in Coventry, but the government would not allow them to do this. They were told that there were insufficient schools and municipal facilities in Coventry and a preferable location for the plant would be further north. The government told them "our economy has changed; the textile industry in the suggested area is no longer viable and all the necessary facilities are available, so that is where the industry should go". The government did not give Ford a permit to build in Coventry. In England they operate on a permit system and you do not pay taxes on undistributed profits but you cannot use this money for expansion without a permit. If you do not locate in the right place to meet the needs of the total economy, you are not granted a permit.

What we have done in this country is to go around holding out a carrot. I come from an area which is desperately in need of secondary industry because, as the years have gone by, our primary industry has changed. I am thinking right now of the small community of Cobalt, which eight or ten months ago had 12 or 14 mines operating. Now, there is only one in that area. There is a smelter in that area which is operating sufficiently competently for the United States to be sending to it boxcar loads of coins for reprocessing into silver ingots. It is one of the most efficient plants of its kind on the continent, and can compete with any other plant of its kind in existence. By-products come to that plant from other mining industries in that area, and some of its production goes to Norway for processing and some of it goes to a U.S. plant somewhere in Montana. The processing could take place here in Canada if the government had some control over industry. The government has always played a role in this particular operation because silver ingots from the plant come directly to the Mint in Ottawa.

This plant has been operating off and on, first in Deloro and now in Cobalt, and it has had its ups and downs. Some of the silver producers have found that they have had to ship to the United States because the product could not always be handled in Canada. Yet, with the co-operation of the provincial and federal governments, the plant could expand very extensively into a smelter operation to process many of the rarer minerals, that are now not reclaimed in any other area in Canada. This could be done fairly easily and would allow a margin for by-products from base metals which presently come from Sudbury, from International Nickel which at present cannot be processed in Canada. We could very easily develop secondary industry to use some of the reclaimable by-products from such a smelter. In fact there are a number of things the government could do, but it seems to me that the minister of regional disparity has done exactly what he said he would not do.

• (12:30 p.m.)

If one reads the committee reports of a year ago, one will find the minister was very much opposed to the idea of the regional development program being used to provide government control. In effect he said, "We are only going to assist certain plants in certain areas, because if we expand the program so it is national in scope and covers everything in the country, this will defeat its purpose." Now, I understand it is intended to include the city of Montreal within the ambit of the program and it, along with cities like Toronto, was one that the minister was very vehement in saying could not be designated because that would defeat the purpose of the program. No one is opposed to incentive grants as such. No one is

opposed to the principle of each job that provides employment, particularly new employment having a cost factor. But I think we have been given a lot of malarky over the last five or six years about the development of our industrial incentive program.

Originally, we decided we would designate areas that obviously could benefit greatly from secondary industry. Then, we developed the idea of slow growth areas. Now, we are saying that anyone who wants to build a factory, and who can meet the criteria, even if he is establishing in one of our major cities, will be able to take advantage of the program.

There is another matter that has concerned me with respect to the department. No doubt there have been a lot of personality problems. Originally, we established the Department of Industry, which has become the Department of Industry, Trade and Commerce, with some of its responsibilities being transferred to the Department of Regional Economic Expansion, and during that time we drew together a body of people fully suited for the job that should be done. Many of them, however, have become dissatisfied, and a number of them have quit. There has been much transferring of personnel in both departments. Some of the blame for this should fall on Parliament itself. If we were able to develop the expertise, but were not able to get full value from the program, the value which we anticipated, part of the responsibility must fall on Parliament. For that reason, this kind of amending bill is not satisfactory. Sure, you give $12 million more. So what? Big deal! If we apply the incentive program to Montreal, so what? Big deal! If we apply it to South Shore and Cornwall—big deal! There is no suggestion that they should not get the advantage of it. Maybe every city and town in Canada should get that advantage. Maybe it should apply right across the board. I am not opposed to that, but I think that as a Parliament we should decide what we want to accomplish.

I think there are two things that people want in regional development. The first is that they wish to decentralize industry. They want to provide something for communities that are in a period of flux, whether they be one-time farm communities, or mining communities where the mining industry is defunct, or industrial areas where because of technological change there is great unemployment. Certainly, the industrial development program should aid such communities but, Mr. Speaker, there is absolutely no advantage in moving people from one area to another area in which they will also find themselves unemployed, and where they will be unable to cope with their changed environment. People who are moved leave behind them assets that they and their parents spent a lifetime developing. They may move into a new area where they cannot be assimilated, and where they will incur fantastic expense to develop an equality, in the social amenities comparable with those which they had in the community they left.

Anyone who suggests that our present system, under which young people in the mid-Canada corridor are trained only to go to the city of Toronto to become displaced persons, to become the unemployed and the disadvantaged, is good must be pretty stupid. Yet that is what we are doing.

Secondly, Mr. Speaker, even the Liberal party, undemocratic as it is—

Some hon. Members: Oh, oh!

Mr. Peters: Even the Liberal party, as indicated by the resolutions at its recent convention, was of the opinion that we must do something about Canadian ownership and Canadian direction of our industry. I say that is undemocratic, Mr. Speaker, because the convention does not relate to the Liberal cabinet benches. It does not relate to the backbenchers of the party when they stand up and vote, because they will vote as one voice. A backbencher in the Liberal party is only here to vote—

Some hon. Members: Hear, hear!

Mr. Peters: I say that, Mr. Speaker, knowing full well as I look across at the Liberal benches that those members are just as smart as anybody else in the House; they are just as capable as anybody else in this House. They participate in committees and express the views of their constituents in those committees. They make suggestions in private that express the views of their constituents, but when they stand up in this House they vote exactly the way the cabinet wants them to do. They disregard their own points of view. They disregard the constituents they represent. As a result, Mr. Speaker, we are getting pretty poor legislation. One year ago we passed the main incentives Act. Now, we are amending it in some specifics. Mr. Speaker, we are interested in developing Canadian industry. We are interested in having control of our Canadian economy. I am quite sure most of my colleagues in this party will agree that they do not have all the answers. I do not think anybody has all the answers, but we should put our heads together and decide on ways to regain control of our economy.

This is not something which is held as desirable by one particular party or group. The Canadian public are in favour of achieving this, and they are looking to Parliament in order to get control of Canadian industrial development. One of the ways we can create industry is through the incentives Act. We are providing a carrot to industries to expand, to create employment, and we will provide the carrot almost any place.

The minister used a couple of examples in committee. I would like to refer to one of them, McCain Industries Ltd. The minister pointed out that McCain's does not need money. I am not sure why it does not need money. It is true that its plants and factories are fairly well developed. From my limited knowledge of New Brunswick, I think most of the development there has been by McCain Industries Limited. They have been well treated by that province but they are competent people and have done an excellent job. The company was faced with a decision about whether to move into the Boston market for frozen potato chips and they decided to do it. The government was involved in determining whether the

plant to produce the potato chips should be established in the United States close to the market or in Canada. In this case, I think the incentive program worked as well as it has in any project. It has been explained that there was no reason why we should have had to pay these people that money because they were capable of getting it themselves, but I am not objecting to that. The resource was already there, so we were helping a secondary industry.

• (12:40 p.m.)

How can this minister, who is a provincialist and I suppose a nationalist, justify the decision taken in the province of Ontario to provide the maximum grant in two cases to Texas Gulf, an American corporation?

An hon. Member: Shameful.

Mr. Peters: This corporation has more money than the government of Canada. If Texas Gulf wanted to buy the government they probably could—in fact, they have and we are paying them for it. The Ontario government, rather belatedly, decided that the smelter was going to be established in Canada, period. They did not go so far as to say it was going to be in Ontario but anyone using their head would not see much sense in moving it to Manitoba—unless Manitoba was going to give an immense grant as well. So, we were going to have that smelter somewhere in Canada because Ontario passed a law which, in effect, said: "If you do not put it in Canada, you are not going to put it any place. This is our mineral and we have the right to make that decision."

We could have used that money for other purposes, Mr. Speaker. This company does not need it. A smelter is not a mine of course, and it is not a resource, but it is certainly related. Here was a wonderful opportunity for the minister to say, "We will participate and build your smelter; never mind the grant. We will build it provided we control it and own it or we will build half of it and get an equity in the plant because we are going to decide what to do with the material."

In Canada, we have control of all the nickel for the world through Sudbury. We have a smelter in Sudbury, and we could control most of the stainless steel of the world if we wished. We could control most of the fabrication involving nickel, which is expensive, in hundreds and hundreds of by-products. We could control this, Mr. Speaker, if we were willing to make the decision.

We will play around with this bill and pass it because the government members will feel that since cabinet introduced it they have to vote for it. Is it not time that we took a look at the over-all problem and decided we are going to put a similar smelter in the town of Cobalt, that it should be sufficiently developed so it can handle platinum and all the raw earth metals. It should be the only one in Canada because the minerals come from that area, then we will no longer need to send part of our raw material to Norway and other countries? Is it not time to make that decision? It is not a big decision that would cost immense amounts of money. I have no objection to free enterprise operating that plant. I am not particularly interested in extending the civil service into the field of industry but I think it is time we decided where the plant should be, what it should be and, in fact, whether it is going to be.

Until we make these decisions, Mr. Speaker, we are going to chase the donkey all over the country with the carrot. We are going to go to some very odd places and get some odd results, but we are not really deciding we are going to have Canadian industry rather than foreign controlled industries.

In the committee hearings my colleague from Oshawa-Whitby mentioned Turkey and everybody laughed about it. I presume I laughed, too, because I do not know what they are doing in Turkey but he mentioned that country had decided it wanted 49 per cent control of its industry. We were concerned about using Turkey as an example because we are not too familiar with it, so let us take a better example.

In the field of resources, Japan is dealing extensively with this country yet it says that foreign countries going into Japan must be controlled by the Japanese. They must think we are idiots in Canada because we give them full control of any of our natural resources and allow those resources to be taken out of the country and processed in Japan. This creates so many jobs in that country that they require one million more workers. If Canada wanted to export the unemployed for the next year or so, they could go to Japan. I am quite sure they would work out some arrangement with us for such a program because they need the workers. And what would they be working at, Mr. Speaker? At the raw material bought from Canada for almost nothing because we, as Canadians, do not have the brains to decide to develop it in our own country.

Some hon. Members: Right, right!

Mr. Peters: We are going to sell all our material to another country and then that country will ask our people to go over there and work in their secondary industries so that they can make a profit.

An hon. Member: Shame!

An hon. Member: And sell the product back to us.

Mr. Peters: Yes, and we will buy back the product. I am driving a Japanese car, Mr. Speaker—

An hon. Member: Shame!

Mr. Peters: They will sell the nuts and bolts and things that we should manufacture.

An hon. Member: Why don't you buy a Canadian car?

Mr. Peters: There is no Canadian car, Mr. Speaker. You are stupid enough, Mr. Speaker, to think I should go out and buy a Canadian car—there is no such animal.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Laniel): Order. Order. The Chair feels that perhaps the hon. member should rephrase that statement.

Mr. Knowles (Winnipeg North Centre): I agree. You are not that stupid, Mr. Speaker.

Mr. Peters: Mr. Speaker, I am not referring to you and I am not referring to the hon. member. Maybe it was an unfortunate word, but we do not seem to have the intelligence, Mr. Speaker, to realize that there is no Canadian car. We assemble cars here. The Volvo Company has a plant in the Maritimes. During the last election Liberals and Conservatives alike were screaming at me for driving a foreign car. This government supplied a lot of money for an assembly plant in Dartmouth to produce the Volvo I was driving. There is no such thing as a Canadian car, Mr. Speaker.

We could develop a Canadian car, Mr. Speaker, there is no doubt about that. Some very small countries have developed cars. We could develop one with a battery three times the size of the one in our cars now, because we need that. We could have the engine closed in at the bottom because of the snow, instead of the car that seems to be designed for Florida where there is no snow. We developed a snowmobile in this country which has proved excellent for recreation purposes. It has been great for industrial development, producing a number of plants employing a large number of people. But we have not produced a car, and yet we are one of the largest countries in the world and have a greater need for transportation. Transportation rates about the same as food and shelter in this country, yet we have not developed a car.

I suggest another bill will be introduced shortly, and I should like to see some major changes made. I should like to see this department abolished and the entire incentives program abolished.

• (12:50 p.m.)

Mr. Knowles (Winnipeg North Centre): And the minister, too.

Mr. Peters: I wish the government would again set up a department of industry. It ought to be divided into a number of subdepartments. The department of industry ought to be responsible at all times for the over-all development of industry in Canada. The subdepartments ought to be concerned about matters such as incentives. There ought to be a minister responsible for the Canadian content of goods manufactured. In that way, we could eventually decide how to regain control of our own industry and economy. Of course, the incentive program would allow us to gain control of our industry. We could introduce programs under which existing companies would carry on certain kinds of development. These companies have large amounts of accumulated capital. By writing in certain provisions into our income tax structure, we could make sure that they spend that money for the development of industry in those areas where that is necessary.

The new department would also exercise some control over transportation, both by road and by rail. I keep hearing that nobody can go ten miles north of Toronto, because the transportation costs are too great. Driving within the city limits of Toronto is quite an experience for me. I do not see how it can be any more expensive when you get ten miles north of Toronto—but that is neither here nor there. Every conference I have attended in northern Ontario has alluded to the problem of transportation. The minister responsible for the new department also ought to have some say in the development of transportation. He ought to control the means of transportation that are available to certain areas and, if necessary, subsidize the operation of that transportation. He should, in so many words, "equalize" it. The T. Eaton Company did this 50 years ago, as did Simpsons. If you live in Moosonee, on James Bay, you can order any item out of the catalogue and pay exactly the same price you would pay in Toronto. Those companies have, in a manner of speaking, equalized their transportation costs. On entering an Eaton store in Toronto, I have often been surprised at not seeing the merchandise advertised in the catalogue. Nevertheless, that company is able to sell merchandise from the catalogue for the same price in different areas. If they can equalize their cost for goods sold from the catalogue, why can we not do something like that?

That sort of thing has not been done elsewhere because every little company has tried to make its own deal with the railroads and the trucking companies. If we had a department of industry such as I suggest, it could look after the interests of all industry in Canada, and perhaps it could work out a formula to equalize distances in this country. Of course, research will have to be done. The department will need to exercise control in this matter and say how this can be done, where it can be done and who is to do it. It will need to do its work through the issuance of licences and the introduction of incentives. It will need to make grants, and perhaps it will need to do it under the aegis of public ownership. In many instances, the department will need to utilize the services of Crown corporations.

I know that some hon. members here are like a bunch of sheep.

An hon. Member: Order.

Mr. Peters: They look on Crown corporations as socialist tools. Let me tell them that there are quite a few Crown corporations in Canada, and we have never had a socialist federal government. Look at Polymer Corporation. When the Conservatives were in power, they tried to give Polymer Corporation away. Why did they do that, Mr. Speaker? Because it was successful and because it was making money. By developing synthetic rubber products in Canada, we were able to create in Canada the expertise that made secondary industries utilizing synthetic rubber possible. All that stemmed from Poly-

mer Corporation. It has proved its worth. It has not been a costly venture; yet it was a venture that nobody, but nobody, wanted to take over. In my opinion, what it developed would not have been developed by anyone else in Canada. I will not go into the background of what it did for the war effort of Canada and the United Nations. I do not have time.

Some hon. Members: Go ahead.

Mr. Peters: The public is aware that Canada is in serious difficulty in terms of the direction which it should follow. We all know that when one of our companies wanted to sell trucks to Cuba—and we are dealing with Cuba—it could not, because the Canadian automobile manufacturer concerned was told by the directors of the parent company in the United States that there were to be no such sales. And why were there to be no such sales, Mr. Speaker? The parent company in the United States was afraid that if its Canadian subsidiary sold trucks to Cuba, the company would contravene the United States selling to the enemy act. The people of Canada were not fooled by this. They knew that the United States could stop the Ford Motor Company on this side of the border selling cars or trucks to Cuba. It is, therefore, obvious that the United States controls automobile production in Canada. It is true that we assemble and produce some vehicles as a result of the Canada-United States Automobile Agreement. Nevertheless, the important decisions are made in corporate boardrooms on the other side of the border.

This bill, Mr. Speaker, has some merit. It adds some money to the economy and extends the areas to be helped. The minister himself indicated, I think, that in some ways it is detrimental. Nevertheless, unemployment has spread. No longer is it contained in slow growth areas; it has spread to the major cities and we are attempting to fight it. I hope that we shall have an opportunity to examine these major problems when the bill goes to committee.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Laniel): Order, please. It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Cliff Downey (Battle River): Mr. Speaker, I feel a degree of sympathy for the Minister of Regional Economic Expansion (Mr. Marchand) who is piloting this bill through the House. For a department such as his to be effective, there must be a degree of ministerial discretion. When a department has this discretion, it is subject to a good deal of criticism. The Department of Regional Economic Expansion is different from the Department of National Revenue where everything is cut and dried. The Department of National Revenue is subject to legislation and regulations. In the event of an error, this can be easily cleared up by the courts.

I wish to draw some matters to the attention of the minister and the government. Incentives are a necessary part of regional economic expansion. On page two of the minister's news release, he outlines some of the principles he will endeavour to follow. The minister stated that there will be loan guarantees for money to establish new plants, as well as to expand and modernize existing plants in slow growth regions. He further stated that this will include some commercial operations that have not been considered before, such as providing convention, hotel and office facilities. This is all very well. However, with the diverse nature of the problems in this country, possibly too much emphasis is being put on industrialization. I suggest industrialization when necessary, but not necessarily industrialization.

Possibly industrialization incentives in areas such as Montreal, Hull and southeastern Ontario will be of some value, but in many areas of the Atlantic provinces where there is other potential, industry may not necessarily fill the role. The problems of Montreal and the problems of Newfoundland cannot be compared. To attempt to solve the problems of both these areas by industrialization might not work. I remember the time penicillin was discovered. It was certainly a great boon to mankind. It also benefited animals greatly. Although penicillin is very useful and effective when treating pneumonia and other infections, many amateur veterinarians administer penicillin to animals suffering from colic for which it is of no value. By primarily applying industrial incentives in this bill, the minister is acting in a similar manner to those who administer penicillin to treat every kind of problem.

The Minister has stated that Montreal, Hull and southeastern Ontario will become designated areas after the passage of this bill. I agree that these areas do have problems and may require assistance. But it was only a few months ago that a group from my area in Alberta wanted to start a rapeseed crushing plant in their community. God knows, Mr. Speaker, they need the support of additional industry, since people are leaving the farms and the economy is in great difficulty. This group formed an organization to pursue this idea, and it is still being pursued.

• (2:10 p.m.)

I went to the minister's department to try to get some help for them, and I made what I thought was a legitimate request for assistance. However, I was told that this group could not get any funds because their area had not been designated and there would be no redesignation until 1972. I pointed out to the department that the need was there, and asked them why it was not possible to make a redesignation at this time. The minister's department replied that it was not possible to make a redesignation. As a result I was very disappointed to see that the minister's department has been prepared to redesignate other areas in Canada at will but has totally written off my area in this regard.

A great deal has been said about incentives and measures to improve the economy. I suppose this regional development bill can be related to last week's budget which contained measures designed to help certain areas of Canada. However, the government has been responsible for creating a great many deterrents to improving the economy. One of the strongest deterrents is the government's white paper proposals on tax reform published last year. Not much mention is made of it at the present time, and very little mention was made of it in the budget speech.

Public reaction to these proposals across the country is one of the chief reasons for the government now attempting to stimulate the economy through other measures. In a great many areas that have an uncertain business climate, many businesses have alleged that their tax position would be such that they would be unable to operate. If we could eliminate what I might call the threat of a tax disaster hanging over the heads of businessmen today, then many of these measures in regard to regional economic incentives would not be required. The continuing depression of the thirties was not so much the result of a lack of money in the business community as a depressive psychology on the part of the people. I think the same condition exists today, and until we eliminate this depressive psychology all the regional incentives in the world will be of very little value in improving the economy.

A word now about increased incentives and plant capacity. In last week's budget, the mini-budget or whatever it is called, mention was made of improved capital cost allowances. Plant capacity in Canada in many areas is now over-extended, so it is very hard to see how these additional incentives will improve the economy.

One cannot participate in a debate like this without mentioning economies of which the government itself should be more conscious. Many members of the House have suggested that taxation should be reduced. At the same time, they say we should improve our social security measures. The government says we simply cannot have both, and to a degree I think they are right. However, the question of economy in government itself receives insufficient attention. This is something that tends to be ignored, yet it is one of the greatest leaks of taxpayers' money that we have. I suggest that taxes are one of the largest disincentives to business. This may not be a very popular thing to say, but if you do want to stimulate business I suggest that tax cuts at the lower income level are not necessarily the answer. In order to get industry and business moving forward you must grant them tax concessions.

I think another disincentive to business is the current rate of the Canadian dollar. Today we are not in a very good export position, though I do not think we were in a very good position anyway. I feel that if the dollar rate were brought down again, this would do a great deal to stimulate business activity.

It was announced last week that the oil situation in the United States, as far as Canada is concerned, had improved. Much was made of this and of what a terrific bargaining job we had done. However, I think most people realized that it was simply the way the political situation in the Middle East, in North Africa and the Arab countries had developed that brought this about. On the other hand, I think it is almost inevitable that export markets for oil in the United States will improve; that the United States will be willing to take all the energy that we can supply them. Only yesterday I read in the newspaper that some manufacturing plants in the U.S. will have to shut down this winter because the available energy will be required to supply homes with heat and light. As I say, sales of energy to the United States are inevitable, and in this regard we are in a tremendous bargaining position.

If the United States is in trouble in regard to supply of energy, then it is up to us to negotiate with them about bringing manufacturing industries to Canada, and particularly to western Canada where there reside great resources of energy, such as natural gas and coal. It would be far more economical to establish industries in this kind of environment, in areas where they would not compete with homes for energy supplies. This is an area that to date we have not—I do not want to use the word exploited, because I am sure that is not the way most of us think of this—taken our bargaining position in relation to the supply of energy seriously.

• (2:20 p.m.)

One of the major problems in respect of industry in Canada is low productivity. It seems that labour negotiations will never become simple in this country. We are to be faced with continued labour strikes. Union management consider business management as their enemies, and they feel they must take advantage to the greatest extent possible. I suggest that labour should have a piece of the action because there is nothing more depressing to an individual than to work in a factory at a forge or a punch press for 10 or 20 years. Nothing will result but despair and a revolt against the system.

If we are going to make everyone feel a part of Canada and ready to go ahead, we must incorporate some kind of incentive. This may have to be initiated by the government. Factory workers must have a part of the action. They should have the opportunity to participate in ownership rather than just profit-sharing. Profit-sharing is a good idea, but in order to involve these people I believe they should become shareholders. This is one area of an incentive program the government should not overlook. Perhaps this suggestion does not fall within the jurisdiction of the Department of Regional Economic Expansion, but if we intend to continue the free enterprise system we must see that the factory workers, who are inclined to become disenchanted over the years, get part of the action. Otherwise, this system we treasure so much will not last.

Like so many other members, I have been disappointed in the role the agricultural industry has had to play in the development of our economy. There is very little mention of this area of our economy in the white paper on taxation. Certainly, there are no concessions given to

agriculture. The program outlined by the minister in charge of the Wheat Board indicates there will be some payments made to western farmers and farmers in general. This amounts to some $100 million. There has been some suggestion that part of this money would be made available as a result of the rescinding of the Temporary Wheat Reserves Act. The minister has said we are not going to be storing as much grain, and that this storage will be reduced to about 250 million bushels. During the question period this morning, it was indicated that this would be about 300 million bushels less than the western storage capability, which is 400 million bushels, plus 150 million bushels in the terminals.

When we calculate this reduction in terms of dollars, we find that the farmers will actually be storing some 300 million bushels that will not be in the elevator system. They will not be paid for the 300 million bushels of grain. This will result in farmers having to borrow from the banks and other financial institutions. There should be some compensation in this regard, otherwise the farmers who are now in almost a bankrupt state will not be able to exist for another year.

The minister has pointed out that this deficiency will be offset to some extent by the production of barley and rapeseed, but this will not begin to fill the gap. The Lift program was supposed to put $140 million into the western economy. The last figures I have indicate that only $27 million has actually been paid to the farmers. Indications are that this will not be increased to any meaningful extent and this will cause a great deal of dissension across the country. The figures published by newspapers throughout Canada have indicated that the agricultural industry in western Canada is receiving $140 million under the Lift program and $100 million as a grant because of the rescinding of the Temporary Wheat Reserves Act. Most of the people in the country feel that western farmers are receiving a great deal of money, but the actual recipients know that the amount they are receiving is perhaps 25 per cent of the amount publicized in the newspapers. This is a very disappointing and destructive situation to those farmers in the west.

In southern Alberta, we have a designated area which includes Medicine Hat in the riding of the Minister of Agriculture (Mr. Olson). Approximately a month ago, the city of Red Deer sent a brief to the minister's office. A supporting brief was received from the town of Stettler. A comparison study was made in relation to the designation of Medicine Hat and the situation existing in Red Deer. The conclusion was that, if anything, Medicine Hat was better off than the undesignated areas. It is painful for me to say this, but I cannot help, but feel there is favouritism in respect of designation.

I do not wish to go on at length, Mr. Speaker, but I must draw attention to the fact that under the Regional Development Incentives Act the program has, as of September 30, 1970, produced an estimated 13,700 jobs at a cost of approximately $80 million. This works out to about $21,000 per job. I do not believe all the jobs created under this program will prove to be permanent. That is a high price to pay for so few jobs. If you relate

the 13,700 to the present number of unemployed people, now in the neighbourhood of 500,000 to the cost under this program so far, we would have to provide another $20 billion in order to have full employment. That huge amount of money would help only about two-thirds of our present unemployed. So, it would be impractical to say that we could really supply jobs and help everyone equitably through this department. I suggest we must look at these other areas which I named and bring about a special climate in which we would alleviate the burden imposed through taxation on the business communities. We should look at incentives from other areas rather than through the Department of Regional Economic Expansion. We should assess the whole scene in this manner, and then I think we might see the economy go ahead.

• (2:30 p.m.)

The Acting Speaker (Mr. Laniel): The hon. member for South Western Nova.

Mr. Louis-Roland Comeau (South Western Nova): Merci, monsieur l'Orateur.

Some hon. Members: Hear, hear.

Mr. Comeau: I have a couple of friends, Mr. Speaker.

An hon. Member: There are more than two, Louis.

Mr. Comeau: I hope so. Mr. Speaker, I am very interested in this bill because this is really the first opportunity Parliament has had to assess what has taken place in respect of regional development, and the policies and activities of this department within the regions. It is also our first opportunity to analyse the affect the department is having in particular areas of Canada.

[*Translation*]

Mr. Speaker, some say the Minister of Regional Economic Expansion has been given somewhat excessive powers. When the department was established, it was said that a little too much dictatorial power had been vested in him.

I completely disagree with that assertion. Considering the work he has accomplished since the department was set up two years ago, it can be seen that the minister does not have enough power, since he does not have sufficient authority to tell his colleagues in the Cabinet that some of their projects defeat the purposes of his department.

[*English*]

I think he should have a bit more power, because if he had a little more power he would be in a position to advise the Minister of Finance (Mr. Benson) in respect of inflation policies. He would be in a position to tell the other departments to stop fiddling around with what he is trying to do. Then, he would really be able to do a job in carrying out the objectives of his department.

People ask me what I think of the minister's department. Quite frankly, I do not have too many criticisms, other than the one I have just made. However, I believe it is a valid criticism. I tell people that the department provides a good deal of money to the manufacturing industries, but that really I cannot see any real progress being made. This is the complaint I have. The department does provide a good deal of money and does help industries in the sense that it provides loans and so on, but it really has not done its job in respect of some particular regions of Canada. I can speak for the Atlantic region because it is my area. The department really does not do much to help this area. It is my understanding that one objective of the department is to help this particular area.

[*Translation*]

I take this opportunity to congratulate the minister. He has created jobs, he has helped industry. But the fact remains that his department is much more concerned with lending money to industry than with trying to solve the problems of the various areas of Canada.

[*English*]

I am very pleased to see the clause relating to small businesses, because one complaint has been that small businesses have not been able to borrow money in the amounts they require. While they might have a legitimate reason to borrow, they have not been in a position to obtain, for example, $2,000 or perhaps $5,000. Small businesses sometimes need to be able to obtain a few thousand dollars. Under the present industrial incentives Act, the minimum amount which an older business may borrow for remodelling purposes is $30,000. I do not know, but as I read the minister's statement it would appear that the new act will be of some assistance to the tourist industry. I cite the remarks of the minister as recorded at page 1926 of *Hansard* for December 10:

> We will now be required by the act to define the areas where the establishment or large commercial concerns can contribute considerably to the economic expansion of slow growth areas. For instance, this could mean administration buildings, stores, convention centres and hotels.

I take that to mean that the department is now willing to provide grants and loans to the tourist industry. I compliment the department and the minister upon that decision because the Atlantic provinces particularly—Nova Scotia, Prince Edward Island, Newfoundland and New Brunswick—can really do something in the field of tourism. Therefore, it is important for the department to take into consideration the fact that this is an industry which requires assistance. Assistance in this form would provide employment and help the areas concerned. It is interesting to note that when the present act came into operation a year and a half ago, one of the things we suggested was that tourism was an industry and, therefore, should be helped in the same manner as the manufacturing industry is helped.

The complaint I have about the department is that it does not have a regional policy but appears to have a national development policy. As was pointed out by the hon. member for St. John's East (Mr. McGrath) and others in our party, it is my view that the department should really be concerned about assessing the needs of the various regions. Then, it would be in a position to provide loans and grants to particular regions. In this way, those regions would benefit and become viable.

Mr. McGrath: Give us back the Atlantic Development Board.

Mr. Comeau: I will talk about the Atlantic Development Board in a minute. It was a very good thing. The department, so far as I am concerned, is no longer the guardian of the designated areas or of the so-called have-not provinces. It has now become a department which is taking over the job of the finance department by trying to provide a reasonable standard of living in all parts of Canada. The Department of Regional Ecomonic Expansion, as I said in French a while ago, has no control over the spending of other departments. For example, it has no control over what the Department of Finance does. The Department of Finance has created, through its policies, the present economic climate in Canada. It is through the policies of the government that we have this high rate of unemployment at present. Therefore, if there is unemployment in certain areas of the country, the Department of Regional Economic Expansion should bring this to the attention of the Department of Finance and suggest to the latter that certain policies be avoided in the areas which the Department of Regional Economic Expansion is trying to help.

• (2:40 p.m.)

Again, I want to refer to the Atlantic provinces. I suggest that the Department of Regional Economic Expansion should consider the fishing industry there, and should not merely rely on the Department of Fisheries and Forestry to establish the correct policy for that industry but should advise this department as well as the Department of Public Works on the proper programs to develop that industry. If, for example, the Department of Fisheries and Forestry and the Department of Public Works are not providing the necessary facilities or do not have the right type of policy to promote that industry then, to my mind, the Department of Regional Economic Expansion, as guardians of regional development should tell them so. This is what I would like the department to do.

This department should also advise the Department of Energy, Mines and Resources about the Bay of Fundy tides project to which reference has been made previously. If the Minister of Regional Economic Expansion (Mr. Marchand) feels that this is a good project, and that it will help out the area, then I think it is his duty to advise the Minister of Energy, Mines and Resources (Mr. Greene) to provide the necessary funds for it. I do not think any department should be allowed to cut back on any projects that will help a region which the Department of Regional Economic Expansion is trying to assist.

Not too long ago a motion was debated which dealt with the development of marine resources. I spoke on it as did others. The motion was presented by the hon. member for Dartmouth-Halifax East (Mr. Forrestall). This idea has great potential for helping the development of the Atlantic provinces. There is no reason for us to admit that the only resource we can obtain from the seas around the Atlantic provinces is fish because now we are doing some drilling for oil and gas. Therefore, the department should promote research and exploration of these avenues to make these provinces viable. It is not sufficient for the department to simply say they want to lend some money to industry and thus provide employment. It has to look at what the other departments are doing, assess the situation, and advise other departments what they should do in the different regions in Canada.

There is a specific reason for naming this department the Department of Regional Econom c Expansion. It should assess the situation in the various regions and decide what should be done for them, as well as suggest to other departments of the government what projects should be undertaken in order to help these regions to develop. The Department of Regional Economic Expansion is not just a lending agency to manufacturing industry. To my mind, it should have sufficient expertise to assess the situation in various regions and work out appropriate programs for them.

Let us consider, for example, the Department of Industry, Trade and Commerce wh ch is responsible for industry and for all commercial activities in Canada. What has it done for shipbuilding? Of course, the minister will say that he provided some subsidies for shipbuilding. Why is the Department of Regional Econom c Expansion not saying that in the Atlantic provinces and on the west coast we should build ships and establish an effective Canadian merchant marine to operate in our coastal waters? This would provide employment and is what I would like the department to do.

The Department of Regional Economic Expansion should also advise the Department of Transport with regard to the provision of proper transportation facilities in certain areas which lack them, because transportation is probably the most important single factor in the development of our regions. The Department of Regional Economic Expansion should be able to tell the Department of Transport that proper transportation facilities at competitive rates are absolutely necessary if a region is to be helped.

Some hon. Members: Hear, hear.

Mr. Comeau: I am sorry to be referring continuously to the Atlantic area but that is the area I know best. At one time we had the Atlantic Development Board. Although it did not do marvels, after this department was established it should have taken advantage of the expertise which the board had developed over a period of time. The Atlantic Development Board did not have the answers to all questions, but the Department of Regional Economic Expansion should have provided some policies to replace those of the board which was designed to help those provinces.

[Mr. Comeau.]

Some regions used to be able to obtain grants for such projects as highway construction, sewerage, and so on. The Department of Regional Economic Expansion was supposed to carry out projects which the Atlantic Development Board, ARDA and other agencies had recommended. I honestly believe that the Prime Minister (Mr. Trudeau) has given up completely on the Atlantic Provinces. I think he knows that there are 25 seats out of 32 which are held by Progressive Conservatives, and he does not see how he is going to change that. Therefore, he has given up completely on that region.

• (2:50 p.m.)

Mr. Perrault: That is not true. This is a non-partisan government.

Mr. Comeau: What else can I believe? The Department of Regional Economic Expansion was supposed to do the job. How did this department come to be established? During the 1968 election campaign, the Prime Minister made a promise to the Atlantic area that he had all the answers, and after a few months this department was established.

Still, Mr. Speaker, I am not against the department. As I have said, I have some reservations about certain things in connection with it, but really it is not doing anything for the Atlantic provinces which it is not doing for other regions. The minister is shaking his head. It is absolutely true, Mr. Speaker. A little time ago I complimen ed him, but he was reading something and did not hear me. I did say that his department, by providing money—

Mr. Perrault: Hear, hear.

Mr. Comeau: —was trying to create jobs, but that really I had expected something great from the department. A bank can lend money. Any financial institution can lend money. I thought that with the Kents, and all these other great gentlemen, they were going to come up with something special for particular areas.

Mr. Perrault: You just wait.

Mr. Comeau: The hon. member for Burnaby-Seymour (Mr. Perrault) says wait.

Mr. McGrath: Why isn't Vancouver designated?

Mr. Comeau: It may not be too long before British Columbia is also designated. In effect, that is what the hon. member is saying. If you have a department that is supposed to look after regional disparities, and it does not provide the necessary incentives for a particular region, then there is no use in having that department. I am not against designating Montreal or Toronto, but if you provide the same incentives to Montreal as to Yarmouth, Nova Scotia, then holy smoke, Mr. Speaker, where do you think industry is going to go? I admit that there is a difference in the level of incentives, and I think the minister is to be congratulated in that respect. The incentives in these two cases are not exactly the same.

but the question must be asked, is the difference in the incentives really large enough to attract industry to certain parts of the country as compared with, let us say, Montreal?

As I stated before, Mr. Speaker, the Department of Regional Economic Expansion is not looking at other departments and telling them exactly—

Mr. Perrault: The way it is.

Mr. Comeau: —the way it is. I thank the hon. member. It should tell them, "What you are doing is not right. You should look at things this way." It should do this with the Department of Transport, the Department of Industry, Trade and Commerce, the Department of Fisheries and the Department of Public Works.

With respect to the Department of Public Works, we have been trying to have a little wharf built in my area at a cost of $60,000, but that department tells me it is not economically feasible. For what more can the people living there ask? They don't need a cotton factory or a car factory; they need a wharf. If the Department of Regional Economic Expansion does not tell the Department of Public Works that a wharf is needed in the area, then we will not get it. I have written to the Department of Regional Economic Expansion several times requesting it to impress on other departments what they should do.

What about the relationship of this department with the Department of Manpower? That department says it is going to retrain people. What is the use of training people if you don't have jobs for them after they are trained?

Some hon. Members: Hear, hear!

Mr. Comeau: The Minister of Regional Economic Expansion was supposed to be the minister with the greatest power in the country. It was said that he was really in charge of things. He is not really in charge of things because he has not been dealing with the other departments, at least to my satisfaction.

Mr. Perrault: You're hard to satisfy.

Mr. Comeau: This amending bill will not hinder anything, but the minister should look again at the title of his department. He ought to apply regional policies to particular regions of Canada.

Mr. Allen B. Sulatycky (Rocky Mountain): Mr. Speaker, at the outset I want to assure the minister that I am not going to ask for any wharves in Alberta. However, I do have some experience with the regional economic expansion program. In my riding we have a portion of the designated area in Alberta, and a portion of the special area in Alberta, as well as a large ARDA area. I have also had experience with the former AIDA program, because two of the areas designated under that program were in my riding. So, over the last two and a half years I have gained some knowledge of how the incentive programs have functioned and the effect which they have had.

I was not present to hear all of the speech of the hon. member for Battle River (Mr. Downey), but I would like to start mine by congratulating the minister on the very large grant announced yesterday for the province of Alberta, one of the largest to date in Canada, some $12 million for the construction of a pulp mill, Alberta's second pulp mill, near the city of Grand Prairie. This is a very clear indication of the fact that the department is cognizant of the needs of the various areas of the country.

I am not about to criticize the amendments to the act proposed in this bill. I recognize that basically they are designed to deal with the serious problem of unemployment, and that all regions are not going to benefit equally from them. I am heartened to see that the greatest benefits will go to the areas of highest unemployment, and that is exactly as it should be.

It would be unreasonable, unfair and downright foolish of us to expect that every area should benefit equally, and that those areas which have the least problem with unemployment should get as much as those that have bigger unemployment problems. I understand that under the amendments Alberta may not get as much as the Maritime provinces or Quebec, but the fact that a $12 million grant was announced for Alberta within the last few hours shows the department makes no differentiation between the areas getting grants.

• (3:00 p.m.)

I want to deal briefly with the way in which the incentives program has operated in Canada during the last few years. In concluding I should like to make three points regarding this system and the way it should operate in the future, suggesting a changed system which in my opinion would be more effective and much better in the long run. In the Crowsnest pass area of my riding certain industries were given grants as well as tax concessions and tax holidays. As a result of these considerations, industries established in areas which were depressed at that time, were there was a high rate of unemployment and were there may have been a very low, non-farm income.

When coal was "king" this was a very bustling area of Alberta, supplying the railways with fuel. However, with the demise of the coal industry the Crowsnest pass area suffered very serious unemployment and was designated. As a result, a number of industries received grants and tax concessions enabling them to establish manufacturing plants in the area. Because housing was scarce and the infrastructure required for industry was not adequate, these industries ran into difficulties. In the last few months one industry has terminated its operation and is moving its plant to Calgary.

The net result of this, Mr. Speaker, is that the expenditure of the taxpayers' money on this particular industry was unwise and unprofitable. It may have employed a few people but it did not provide any rejuvenation of the economy.

The only rejuvenation that did take place was through the revival of the coal industry and not because a few

industries were enticed into the area under the incentives program. This is a good indication of why the program was changed about a year ago and why the tax concession provisions were removed and the outright grants provisions made more generous. Rather than getting a maximum of $5 million, today an industry can get as much as $12 million for establishing a plant in a designated or special area.

Under the new system it is possible for the government to provide for the creation of the infrastructure necessary to support industry. If this infrastructure is properly created, then naturally the industries established are more likely to survive and be of long-term benefit to the community. I believe that areas such as the Crowsnest pass which have received assistance only to find that industry could not survive because of lack of infrastructure should be looked at again and redesignated as special areas. In this way they could qualify for assistance in the development of the infrastructure—municipal services, road construction, housing and anything that is necessary to ensure that a labour force will be available.

I submit, Mr. Speaker, that the Crowsnest pass area should be reconsidered and redesignated as a special area so that existing industries can function smoothly and new industry be encouraged. Since the area was again designated about a year and a half ago, not a single new industry has been established, and I do not know of any that have made inquiries. It is not grants or incentives alone which encourage an industry to establish in an area: I believe infrastructure is necessary to ensure that industry will establish itself in areas where it is required.

Another aspect of the regional development program is that it is a remedial measure. We have not taken steps to ensure adequate employment in all areas of Canada. We have not taken steps to ensure sufficient diversification of industry. It is sufficient in Toronto, Calgary, Edmonton, Vancouver and Montreal—but these are not problem areas. The problem areas are smaller communities, communities in the Maritime provinces. One thing that these communities have in common is their dependence upon a natural resource. They are usually dependent upon only one large plant or perhaps several plants which depend on the same natural resource.

If this resource is depleted or there is not sufficient demand for it, the area goes into a depression and unemployment results. The government then has to come along and patch up the wounded area, so it becomes a remedial action. Rather than allowing this cycle of prosperity and depression to repeat itself, I suggest that we should take preventive steps. If we could ensure diversification, if one area of the economy is depressed perhaps other areas could take up the slack.

One of the best examples, Mr. Speaker, is the area I represent. There are two great coal mining areas in Canada, one in Nova Scotia and the other in the riding of Rocky Mountain. Alberta has 50.7 per cent of the nation's coal reserves, and 25 to 30 per cent of these are in the Rocky Mountain region. For many years the Crowsnest pass area southwest of Edson provided a large portion of the coal in western Canada and many thriving communities were established. Miners from all over the world came to work in the mines, and we have communities where the population was drawn from 50 or 60 nations. The coal mining industry, as I have said, went into a depression. Then other industries were given incentives to establish in the area and improve employment opportunities. That was done with some degree of success.

[Mr. Sulatycky.]

• (3:10 p.m.)

The coal industry has now revived and it is apparent that we did not need to take some of the steps that were taken a few years ago. Instead of allowing areas such as this one 25 years ago to remain totally dependent upon the coal industry, it would have been better had we provided incentives for other industries to establish there. The same remarks apply equally to Cape Breton. If 20 or 25 years ago secondary industry had been established there, that area would not have suffered the difficulties it has suffered during intervening years.

I have looked with interest at a study concerning new Canadian towns on what is termed "Canada's resource frontier." These are communities which depend upon one resource for their livelihood. They are to be found in all provinces. As a matter of fact, 148 such communities are listed. They include places like Corner Brook, Glace Bay, New Waterford, Sydney Mines, Elliot Lake, Uranium City, Lynn Lake, Sherridon, Powell River, Ocean Falls and Port Alice, each of which relies upon a single industry. Some of these towns that were tied to a single industry are either dead or dying: the others will suffer the same fate unless we make our regional incentives program preventive rather than remedial in nature. If that is done, some of these communities may be saved. If it is not done, we shall go through the same process of giving industries incentives to establish in certain areas because those areas will be suffering from a depression brought on because resource industries in the area have gone out of business.

In my riding there are several new communities. The outstanding new community is the town of Grande Cache. It was established to serve the coal mines recently opened by McIntyre-Porcupine. That company is supplying millions of tons of coal each year to the Japanese steel industry. There are about 4,000 people in this area. Three years ago there was nothing there; it was wilderness. The town depends totally on the one coal mine. It is a very beautiful town, beautifully situated, and its people have invested a great deal of money in it. It contains many progressive businesses and has some fine public buildings. There are adequate recreational facilities.

All the same, it is certain that if this town is allowed to depend solely upon the coal mining industry, sooner or later we shall need to establish some sort of incentive program to bring new industry into the town, because the coal industry will by then be either dead or dying. I think this illustrates the sort of approach we should be taking to regional expansion in Canada. Such an approach will perhaps require a period of evolution. We have begun with a different approach, but I hope that eventually we shall look upon our regional economic expansion program as preventive rather than remedial.

I suggest that the best way of doing this is not by introducing a system of incentives but by introducing a system of disincentives. We should determine the areas in which we wish industry to locate and we should designate those areas in which we wish to discourage the location of industry. I suppose the best way of doing this would be through a form of punitive taxation; we should penalize industries which locate in areas where we believe there is an overconcentration of industry, areas such as those in and around the Great Lakes. We should impose punitive taxes to make sure that industries do not establish in areas where we do not want them. There should be a scale of punitive taxes which would encourage industries to locate in areas where taxes are lower. The result would be that industry would tend to locate in areas of lower taxation. The industry concerned would itself make the choice. For example, if there were a disincentive for industry to locate in and around the Great Lakes, industry might go to Montreal, Vancouver or somewhere else. The industry itself would make the choice; we should not tell it where to go. Thereby, the areas which are most suitable for development would be developed.

I sympathize deeply with my colleagues who insist that we are not doing enough in the Atlantic provinces, for example. But perhaps not much more could be done. If we had a program of disincentives and allowed industry to choose whether it should establish in Alberta or Nova Scotia, and if under such a program an industry chose Alberta, it would be evident that Alberta was the more logical location for the industry because it had made the choice itself and had not been forced to go there.

Tied in with such a program there would have to be a more sophisticated and generous program involving the mobility of labour. No doubt there are areas to which industries just will not go. The result is that the people in those areas will be unemployed; there will be no work for them. We shall therefore have to make sure that the people move. As a result, in those cases we must provide allowances which are much more generous than those now provided. Of course, after people have moved and become acclimatized to new areas, we will hear fewer demands of the sort now being made by many people who find themselves in economically depressed regions.

The immobility of labour is a very real problem and adds to our unemployment. Recently I was talking to a number of mine managers in my riding. I discussed with them the possibility of shipping coal from Alberta and eastern British Columbia to eastern Canada. At present most of the coal used in eastern Canada comes from the eastern United States. I was also talking about shipping coal to Europe, because Europe is facing a coal shortage. The steel mills of Europe want our coal and without doubt they will buy it in future.

I said to these people who manage a number of mines, "Are you doing anything about selling coal in Europe and eastern Canada?" They said, "We would like to, but we cannot. We cannot mine enough coal; we do not have enough miners." In that area there is a shortage of miners; the mines have had to obtain people from Korea, Japan, Czechoslovakia, Britain and other parts of the world. This has been necessary because we cannot get Canadian miners to work there, despite very good conditions and the highest wage rate paid in Canadian coal mines. This indicates that we must re-think our position with regard to mobility of labour and regional incentives. We must rationalize the whole structure to make sure that we do not create a continuous cycle of depressed and distressed areas which require federal and provincial assistance through programs such as we are studying today. I hope that eventually our regional economic expansion program will evolve to this point.

• (3:20 p.m.)

Mr. McBride: Mr. Speaker, will the hon. member permit a question? Will the hon. member tell the House whether in his opinion the information as to the need for additional workers in his area is well known in the rest of Canada—for instance, in eastern Ontario?

Mr. Sulatycky: Mr. Speaker, I am not sure whether the need for workers is well known. There is a crying need for experienced underground miners. I presume that Canada Manpower centres are seeking people for areas in which there is underground mining activity. In eastern Ontario there is not that kind of activity and perhaps the need may not be known.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, with reference to the question asked by the hon. member for Lanark-Renfrew-Carleton (Mr. McBride), I think it would be wiser if the hon. member for Rocky Mountain (Mr. Sulatycky) did not take anything for granted. He should contact the Minister of Manpower and Immigration (Mr. Lang) to make sure that he knows about this problem. In a country as large and as varied as Canada, the minister may not know all the problems. In this case I suggest that the member contact the minister directly. This morning the Minister of Manpower and Immigration dealt with the matter of unemployment. He referred to a "better unemployment picture." The only better picture would be that of no unemployment. Perhaps the minister has coined a new phrase. Most unemployment is of the worst kind and I suggest the minister should consider it in this sense.

The problem of unemployment in Saskatchewan is very bad. In this morning's *Globe and Mail* I read an article dealing with Christmas shopping. The article stated that most of Canada would be in the same position as last year with regard to Christmas shopping but that Saskatchewan retail sales would decrease by 5 per cent. I think this indicates the situation in that province with regard to unemployment and the tightness of cash. I suggest that Saskatchewan suffers the worst kind of unemployment.

I wish to point out to the Minister of Regional Economic Expansion (Mr. Marchand) that if some of the problems of the basic industries in this country were solved, the problem of unemployment would automatically be solved. In this way there would not be such a strain upon

the minister and his department. I suggest that he get together with the Minister of Industry, Trade and Commerce (Mr. Pepin), the Minister of Agriculture (Mr. Olson) and the minister responsible for the Wheat Board in order to solve some of our basic problems. If some of these problems were solved, there would not be as much unemployment nor as great a need for regional development in the province of Saskatchewan.

I am not sure why the area I represent does not qualify for aid under the regional development program. Geography alone should not determine whether an area is in need. A town, community or industry within a geographic area may have a very definite need for assistance or incentive program. The constituency of Battleford-Kindersley does not qualify for assistance because it is not in the region of the minister; we have to deal with our problems on another basis. There was the possibility of a vegetable-oil plant being built by a co-operative in North Battleford. When discussing this matter with the director of the co-operative, he informed me that a regional development or incentive grant would be of importance and would have a bearing on where the plant was built. I do not think that Saskatoon has a greater employment need than North Battleford. Is it suggested that people in North Battleford who are seeking employment should move to Saskatoon because it has been designated under the regional incentives program? I do not think that makes good sense.

If an industry wishes to settle in a particular area because of its proximity to the market or something of that nature, it should be given consideration. It take issue with the section of the regional development plan which deals with this matter. The minister has already changed his mind with regard to some areas. Saskatoon and Regina are now designated areas. There has been no change with regard to the area that I represent. Perhaps politically we are not important enough, or the industry in that area is not important. Perhaps as a Member of Parliament I have not been making enough noise. If this is the case, my constituents have reason to complain.

I do not think the approach to solving these problems is adequate. I intend to deal with some aspects of the bill. It refers to the fact that those involved in the tourist industry may borrow money for that purpose. This does not apply to my area because it is not included in the regional incentives program. I do not think there is too much need for the government to erect buildings for tourists. If we had enough tourists in that area we could build the necessary hotels and motels. The primary reason for the slump in the tourist industry in the Prairies is the economy. This is an industry that should be considered for regional development. Frequently the areas that do not have industry are able to attract tourists.

I recall visiting the constituency of the hon. member for Bellechasse (Mr. Lambert) south of Quebec City. The hon. member stated that a park should be built in the hills and mountains. It appeared that part of his riding would not be good for anything else. All the cattle were getting was exercise because there was not enough grass on the land. As a person travelling in that constituency, I felt it was a fair tourist attraction. This is true of other areas that are not rich in industry.

The rural area of my constituency has some of the best farmland in Saskatchewan. In addition, there are two oil fields. Many city dwellers have not seen farming country and oil fields. This would be of interest to them. Promotion of the tourist industry in this area should be encouraged. The Minister of Industry, Trade and Commerce should promote a program to see Canada first, or at least part of it. I have talked to many people in Ottawa, Toronto and Montreal who hardly know that Western Canada exists, let alone having seen it. I suggest there is much to see in western Canada.

• (3:30 p.m.)

I further suggest that the federal government, and particularly the Department of Industry, Trade and Commerce, promote the tourist industry throughout Canada much more than they have hitherto, in the interest of national unity if for no other reason. In newspapers like the *Globe and Mail* and other rich metropolitan dailies you see ads saying, "Come to the Caribbean", "Come to Miami", "Come to Europe". These ads are placed by Air Canada and declare, "Come fly away with us'. A package price is quoted for a tour. I should like to know whether Air Canada realize, when they encourage people to see things in Europe, that in fact they are importing unemployment. If they were to encourage residents of Toronto, Montreal and Ottawa to fly to British Columbia or somewhere else in western Canada, not only would Air Canada receive the air fare but they would put a few dollars in the pockets of Canadian tourist operators.

In this House there are several B.C. members who are very definitely tourist promoters. I observe the two hon. members across the way who have reached the ultimate in tourist promotion because I have heard them talk of the glories of B.C. But what have the departments of tourism of the governments of Saskatchewan, Manitoba, Alberta and British Columbia done to advertise the virtues of their respective provinces and to attract well-to-do tourists in eastern Canada who now holiday in Europe or some other country? I am not "knocking" a trip to Europe; indeed I would not mind one myself. But I suggest that many people who now go to Europe would visit western Canada if it were drawn to their attention that there were worth-while things to see there. I would challenge the hon. member for Burnaby-Seymour (Mr. Perrault and the hon. member for Fraser Valley East (Mr. Pringle) to—

Mr. Pringle: Mr. Speaker, would the hon. member permit a question at this point?

Mr. Deputy Speaker: The hon. member might permit a question, but the hon. member for Fraser Valley East (Mr. Pringle) would have to ask it while in his seat.

Mr. Thomson: I shall talk for a moment or two more to give the hon. member time to resume his seat, when I should be happy to receive his question.

Mr. Perrault: Would the hon. member permit one question?

Mr. Thomson: Yes.

Mr. Perrault: Has the hon. member been out to beautiful British Columbia?

Mr. Thomson: Yes, several times.

Some hon. Members: Hear, hear!

Mr. Thomson: Furthermore, I hope to go again. There is quite a bit of B.C. that I have not yet seen, but what I have seen as a tourist I would recommend to anyone in the city of Ottawa, in eastern Canada or wherever it may be. I would also recommend the virtues of the Prairie provinces which are distinctly different from those of this area. As I say, I think the Department of Industry, Trade and Commerce should do a little more to promote tourism in Canada. May I make just a few comments about the responsibility of the Prairie governments in this regard. Such bodies as boards of trade and the tourist operators in the four western provinces have not done as much to promote tourism as they could. After all, why should the federal government be solely responsible for tourist promotion when, hopefully, these people themselves stand to gain from such promotion?

I have also been astounded at the ease with which some of the people who work in the House of Commons make the decision to go to Europe on holiday, or fly to Spain. Secretaries who work in this House, and wives of members go; and, if they are not too busy, even members occasionally go. Clerks, nurses, civil servants and all kinds of people in Ottawa fly on holiday to Europe. I think a great many of them could afford to see Canada first.

I should just like to make one last point. I see that the minister in charge of northern affairs is in the House. I recommend to him that in the interest of the people in the Yukon and Northwest Territories he promote tourism in the north. I have travelled in some northern areas and have been quite fascinated by some of the things I have seen there. It may be that in some of these areas a more hardy type of tourist is called for; but those who have never seen the north will find it very interesting, with its icebergs, polar bears, seals on ice and some 10,000 lakes. I do not think most of us realize how much there is to see.

I suggest it is high time we explored this idea. By doing so, hopefully we might solve the problems of some of those who live in outlying areas who do not benefit from employment or industry yet need the means to make a living. They could at least make some sort of living out of a tourist industry.

Mr. Walker: May I put a question to the hon. member?

Mr. Thomson: Yes.

Mr. Walker: Does the hon. member feel it would be helpful, in order to achieve some of the objectives to which he has referred today, if a publicly-owned railway had special rates for Canadians who travelled at least to provinces beyond their own in order to see Canada?

Mr. Thomson: I would not like to say at this point. But whether it be a publicly-owned railroad, a privately-owned railroad, Air Canada, CP Air, or what-have-you, there should be more tourist promotion in Canada and the people of Canada should be told of the things to be seen and enjoyed in this country. There is much to be seen in Canada. I thank the hon. member for his suggestion.

Mr. Maurice Foster (Algoma): Mr. Speaker, I should like to add a few words to the debate on this bill dealing with regional development incentives. My area is vitally involved with the Department of Regional Economic Expansion and already in my constituency two or three incentive grants have been made. Having listened to the hon. member for Battleford-Kindersley (Mr. Thomson) I thought we were debating the estimates of the department of tourism until I realized there is no such department in the federal government. However, let me tell him that I hope he will not sell the province of Saskatchewan short, because it is a great province. I lived there for a few years. I think everyone should see the Prairies and the western provinces, especially at harvest time when that part of the country is unsurpassed for beauty; and the people there make it that much better.

The special incentives in this bill are a temporary measure and affect the southwestern part of the province of Quebec and the southeastern part of Ontario. The incentives in these areas are at a lower level than those in the rest of the country, which I think is in keeping with the need to bring industry into this area. Industry tends to establish itself in the Montreal area and along the St. Lawrence because the sales potential there is large. One important feature of this legislation is that the department is developing a certain flexibility. It is bringing in legislation as needed and the legislation the department does have on the books is becoming more flexible. The criticism we always hear in northern Ontario when grants under the Regional Development Incentives Act are compared with those under the Ontario Development Corporation is that incentives are available primarily to manufacturing industries and not to processing and other industries such as mining and tourism.

• (3:40 p.m.)

Of course, this bill does not provide for incentives or assistance to the mining industry but it does provide for a broadened system of loan guarantees which would be available to projects such as convention centres, hospitals, office buildings, company headquarters and shopping facilities. In northern Ontario we will consider this a benefit because we have some of the best tourist areas in the country and the development of facilities to accommodate tourists is sadly lacking but highly desirable.

Where there is a narrow economic base of industry concentrated around the products of mining and forestry, a broadened tourist industry is highly desirable. The bill

before us this afternoon will provide guarantees for loans to this type of industry. Another important aspect is that loan guarantees will be available to manufacturing industries. This is very important. Even when a company is establishing in one of the designated areas and is able to raise the required 20 per cent equity, the federal government will able to make a grant of up to 15 per cent, 20 per cent or 25 per cent of the capital required but there is still a problem in obtaining the rest of the funds. This has to be done through the Industrial Development Bank or other lenders, including commercial banks. The bill before us will give the Department of Regional Economic Expansion the power to guarantee loans. I understand it will be able to guarantee half of the equity which now must be raised by commercial loans.

Another aspect of this program which is particularly interesting is that the ceiling will be removed in respect of grants made by the department. At the present time the ceiling is $12 million. Some people might ask why it is necessary to remove the ceiling when grants up to $12 million are now available. We are trying to encourage the pulp and paper industry to establish mills in various areas. A very large mill capable of producing 1,000 tons of pulp per day would employ 600 or 700 people. Under the existing legislation there is provision to make grants only in respect of industries employing up to 400 people. The maximum figure of $30,000 per job created means that an industry which otherwise might qualify for $15 million or $18 million, because of the magnitude of the expenditure, perhaps up to $100 million, would not receive a loan. The present ceiling prevents such a company receiving what it might be eligible to receive if it were a smaller company.

I understand this bill will extend to 18 months the time limit in which the companies have to bring the enterprise into production. I know of one case where a company took almost a year to line up the necessary capital and had difficulty getting within the 12-month limit which now exists. The extension of the time limit to 18 months will be of great benefit. I believe the department should extend the benefits and grants to pulp and paper companies. In many areas of the country where we are trying to encourage secondary industry we are not as successful as we might be. The pulp and paper industry provides good jobs with good wages, and in many cases it is possible to increase employment. If we extended grants for new plants and for expansion of existing plants in the pulp and paper industry, we would create hundreds of new jobs in many areas of northern Ontario. I hope the government will consider making these grants available in this way.

I understand that the existing legislation for the designation of special areas can accommodate this type of guarantee, but it is very difficult for large companies planning huge expenditures to guess whether the department is going to declare an area to be a special area. At a later stage there should be provision for the department to extend the program to cover the infra-structure of gas pipeline companies. In many areas we have difficulty attracting secondary industry because we do not have utilities such as natural gas. Certain types of industries such as the pulp and paper industry, plywood mills and mining companies, will not establish in areas where there is not natural gas.

Although this bill does not contain all the provisions I would like, it is a good measure. It has certain features which I believe will encourage the establishment of small Canadian companies with limited financial ability. As the title suggests, it broadens and strengthens the incentives to regional development in Canada.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I congratulate the hon. member for Algoma (Mr. Foster), the hon. member for Rocky Mountain (Mr. Sulatycky) and other members of the government for taking part in this debate. I suppose members of the House will be looking forward to hearing from the hon. member for Burnaby-Seymour (Mr. Perrault), who was here a few minutes ago, and other hon. members from the great province of British Columbia which is experiencing tremendous unemployment problems. Undoubtedly the hon. member for Burnaby-Seymour will have recommendations to make in respect of the designation of Vancouver and other urban parts of British Columbia, perhaps the entire province, which are suffering the second highest unemployment rate in Canada—8.6 per cent, compared with November of 1969 when the figure was 5.6 per cent. This is an increase of 3 per cent in one year. British Columbia has an unemployment rate second only to the east coast province of Newfoundland. Surely after making that remark the hon. member will want to ask me a question.

Mr. Perrault: Does the hon. member suggest that the unemployed in British Columbia are all British Columbians? The hon. member should be aware that thousands of our unemployed came from other parts of Canada. That is why we have to fight unemployment on a national basis, as the minister is doing so very well.

Mr. Lundrigan: The hon. member is suggesting that we should export from British Columbia all the people who were not born in that province. In that case perhaps we should send the Premier back east where he came from. If that is the suggestion, I would be delighted to entertain it.

• (3:50 p.m.)

Mr. Speaker, I am also looking forward to hearing from the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) who made a few remarks when the hon. member for Rocky Mountain (Mr. Sulatycky) was speaking and wondered whether the mines of Rocky Mountain could support the unemployed in his region. I am sure he would be dedicated to the idea of exporting some of his people from the Ottawa Valley. I am sure many members will take part in the debate so that the Department of Regional Economic Expansion can re-think its whole philosophy about regional development. A little more than a year ago the Department of Regional Economic Expansion came into existence when the bill set-

ting up the department gave the minister greater power than any other minister of the government. We were delighted when the minister was given this authority because, as the hon. member for South Western Nova (Mr. Comeau) indicated, we hoped that departments of government such as the Department of Public Works, the Department of Fisheries, the Department of Manpower and Immigration and others would work together in a co-ordinated effort to attack regional disparity as a government operation and not simply as a departmental operation.

I can do no better than reinforce the remarks of the hon. member for South Western Nova who today forcibly brought to the attention of the House of Commons exactly the position I wish to take. In that respect I suppose some hon. members across the way would ask me why I do not put an exclamation mark against his remarks and then resume my seat. I should do that, because I sincerely endorse his observations about regional disparity as it exists in the Atlantic region and the way he would like to see the minister and the government respond to our needs, rather than simply through the theoretical formulations of a number of experts who with good intentions have designed some of the programs for various parts of Canada.

What have we done in the last year in respect of regional economic development in Canada? As I see it, we have done two things. We have instituted a system of incentives which basically, on principle, is a very good move. Certainly it is. No one criticizes that system, because we need incentives to industry. As a matter of fact, it should be the aim of every member and of the government to provide incentives to industrial regional development in Canada as a whole and to specific parts of Canada in particular. Secondly, we have had a number of development programs such as those in Prince Edward Island and in our province which are aimed at providing an infrastructure, which is now the "in" word in regard to economic development, to encourage economic expansion in particular regions of Canada. I understand several parts of my province have been designated as special areas for receiving grants and loans to help provide an infrastructure for basic services in order to encourage the establishment of industry.

On principle, these moves are indisputably good so far as the benefits are concerned. But what have we lost since the Department of Regional Economic Expansion came into existence? We gave up the Atlantic Development Board, which was never a really well co-ordinated effort but it did provide a kind of on-the-spot response to industrial requests from the Atlantic region. It provided an on-the-spot response in a spasmodic and spurious manner. Perhaps it was not well co-ordinated, but it did provide many studies which I believe form the basis of some of the response by the department to the Atlantic region.

We gave up the ARDA program. In March, 1970, our province came under the agreements in the ARDA program. This program was brought into being by the former Prime Minister to give stimulus to rural Canada. This program might have been designed originally to help solve the rural, agricultural problems of western Canada but it became a very fundamental program for our part of Canada. We had the coming into existence of a new department and the bringing to the fore of a couple of programs on the positive side. But on the negative side we lost the old programs which in some ways were not well co-ordinated but were on the spot.

Now we are asked to support Bill C-205, which asks us to establish a loans program which is already in existence under the Fisheries Improvement Loans Act, the Farm Improvement Loans Act and the Small Businesses Loans Act. Really, we are being asked to extend the jurisdiction of these loans to tertiary and service industries and the like in various parts of Canada. In my opinion, the minister has carefully avoided making reference to these loans. This bill could have been brought in as a fourth government loans act. I have checked with knowledgeable members, who indicate to me that this special loans program is really only an extension of previous loan programs which are not now functioning and which are a complete waste of time and energy. I will prove that before I finish speaking.

Second, we are asked to spread the industrial incentives program to Montreal, southeastern Ontario and other special areas. Basically, this is what we are asked to do. The hon. member for St. John's East (Mr. McGrath), who very responsibly outlined our position in the House of Commons, and the hon. member for South Western Nova who again today reinforced some aspects of our position, have shown that what we are asked to do is dilute regional disparity to such an extent that the government is asking this department to assume the role of offering a cure-all, a panacea for all the economic ills of the nation.

Some people might say I am criticizing our including southeastern Ontario and Montreal as designated areas. This is not the problem. I could suggest that we even go into British Columbia in respect of special programs for areas where there is a problem of high unemployment. When I continue the debate on Monday I will show that what we are now doing is giving up the fight against regional disparity. I shall also discuss what we are losing by supporting this bill.

Mr. Deputy Speaker: Order, please. It being four o'clock p.m., the House will now proceed to the consideration of private members' business, namely, public bills.

* * *

BUSINESS OF THE HOUSE

Mr. McCutcheon: Mr. Speaker, in view of the excellent progress made today, I wonder whether someone on the government side would advise the House what our menu will be on Monday. Perhaps I might direct the question to the government whip.

Mr. Francis: Mr. Speaker, it is my understanding that we will continue with the item which is presently before the House and that, hopefully, we will be able to conclude this debate and send the bill to the committee. Then we would proceed with the government reorganization measure.

National Trade Mark and True Labelling Act

PRIVATE MEMBERS' PUBLIC BILLS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Because of the modesty of the acting government whip, I wonder whether I might point out that I believe there is general agreement to let the first eight items stand and proceed with Order No. 9, a bill in the name of the acting government whip.

Mr. Deputy Speaker: Is it agreed that the first eight items stand?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is so ordered. Orders 1 to 8 inclusive stand.

* * *

• (4:00 p.m.)

NATIONAL TRADE MARK AND TRUE LABELLING ACT

OCTANE RATING OF GASOLINE TO BE CONSPICUOUSLY DISPLAYED AT RETAIL OUTLETS

Mr. Lloyd Francis (Ottawa West) moved that Bill C-26, to amend the National Trade Mark and True Labelling Act (octane rating of gasoline), be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, my remarks will be brief. Like many consumers, I buy gasoline. The car that I own is a 1969 Ford.

Mr. Knowles (Winnipeg North Centre): No commercials, please.

Mr. Francis: I have purchased gasoline in many parts of Canada and I have found a wide discrepancy in the quality of the product that goes into our gas tanks. I have on occasion purchased what is supposed to be a superior brand with a higher octane rating and the performance of my motor has been very different from when I have filled my tank with other gasolines. Last summer I made a holiday trip to the fine province of New Brunswick, so ably represented by members in the House, and when I purchased gasoline there I noticed that in every gas station the octane rating of gasoline was conspicuously displayed. Apparently there is a law in New Brunswick which compels the octane rating to be displayed. I submit through you, Mr. Speaker, to hon. members that the existence of such a law demonstrates the feasibility of complying with the recommendation in the bill which I have the honour to present this afternoon.

The purpose of the bill is very simple. It is that at every retail gasoline pump there shall be displayed, in accordance with standards prescribed by the Minister of Consumer and Corporate Affairs (Mr. Basford), the octane rating of the product which the consumer is buying. In this way it should be possible to eliminate the deception that takes place when consumers buy gasoline. I have had the experience of buying what was supposed to be a higher grade gasoline in the city and I have known from the performance of my motor that it did not come up to the standard I expected.

Therefore, I move second reading of this bill which has as its very simple purpose the display, in technical terms to be prescribed by the Minister of Consumer and Corporate Affairs, by vendors of the rating of gasoline on gasoline pumps. I urge hon. members to support the bill.

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, I rise not to oppose the excellent bill put forward by the acting government whip, which for the first time in my memory at one of these afternoon sessions seems likely to proceed to a vote, but simply to point out that while we are on the subject of what should be displayed and what the public should know about the gasoline that we buy, we should know that the octane rating is a relatively minor factor among all the others which at least should be known to the public.

There is, of course, no doubt that unscrupulous dealers—and certain discount dealers might be in that category: I am not suggesting that my hon. friends are always searching out the cheapest retailers of gasoline—might be substituting a low octane gasoline for a higher octane gasoline and thus defrauding the public. In that case, I think the bill is a good one in that it would permit testing to take place very quickly and easily. If someone is advertising gasoline with a high octane reading and it turns out to have a lower octane reading, then prosecution should be possible.

When gasoline is simply rated top-line, medium range and low octane, it might not be possible to start the same type of prosecution to prevent the type of activity mentioned by my hon. friend. However, I feel that a great deal more should be said on the subject of gasoline. Gasoline is not a simple product. If I may mention another product with which one or two hon. members at least are also familiar, gasoline is rather like whisky. Whiskies may have the same octane rating or potency, but there may be a great variation in their effects as well as, perhaps, in their after-effects about which we would wish to know before proceeding.

Fortunately, with gasoline the results are not immediately damaging to the individual, but I feel that such factors as the lead content of gasoline should be known. Also, there are many aromatics which are added to gasoline and which vary greatly in different types of gasoline and have serious pollution effects. I think this, also, is a matter that should be considered in much the same manner as the octane rating. I stress this because we tend to drive up to a gas station, thinking we will get much the same type of gasoline regardless of the gasoline company or where we are. This is not so. There are many additives which, we are told by scientists, are highly dangerous to our environment from the point of view of pollution. Most hon. members are concerned about pollution and about buying a product which would do the least damage, but nevertheless are unable to do so because we simply do not know the true facts about gasoline and what we are buying.

I do not wish to suggest that the detailed content of gasoline must be listed, because obviously a member of

the public such as myself would be unable to judge it. But I think it is important that a great deal more research be done, perhaps by consumer associations, perhaps by groups concerned with pollution and environment or by the Department of Consumer and Corporate Affairs, to evaluate the various products we use.

I said a moment ago that some gasolines have a much higher lead content than others. I have before me a publication which indicates that this is something of a fraud on the public and that advertisements stating that low lead gasolines reduce pollution may not be as honest as they should be and are perhaps inaccurate. A company in Canada embarked upon a major advertising campaign, saying that they could produce a low lead gasoline. Nevertheless, they are not doing so because it is a fraud on the public in that this gasoline does not reduce pollution; the aromatics which would have to be added to replace lead are worse pollutants.

This type of thing makes me cautious with regard to the hon. member's bill. I think we must have more testing by specialists who would inform us of the over-all effect of a product such as this. While it may be helpful for us to know the octane rating of gasoline, perhaps the performance of the car is affected more by aromatics and other additives than by octane. While bills such as this may be good in achieving their objective—and I support the bill—nevertheless they will not do enough.

I have no wish to talk out this bill. It is one that I think all members of the House will be happy to support. I merely wish to put on the record my reservations regarding a too simplistic type of information which might indeed lead members of the public into making mistakes because of lack of knowledge of the effects of gasoline.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, this is a good bill. I take part in the debate this afternoon only because I am interested in one aspect that other hon. members have mentioned on previous occasions, that is, the use of different types of fuel in aircraft. It is evidently the case that less inflammable and less dangerous fuel is used on VIP flights than is used on airplanes which have as their main purpose the transportation of the general public. This fact is just brought to my mind. I intended to ask a question about it in the House. I mention it in this debate, and if anybody in the chamber knows anything about the subject I would appreciate a reply. In the Ottawa *Citizen* of December 5, just a few days ago, K. O. Bardwell of Ottawa, whom I understand is knowledgeable on this subject and is a technical civil servant, had published a letter on the labelling of gas as follows:

• (4:10 p.m.)

In the early days of jet airliners, Lord Brabazon of Tara, air pioneer and safety advocate, warned that planes using JP-4 fuel could easily become flying torches. The airlines who are concerned with costs have ignored his warning but British and American VIP flights use safer fuels.

If this fuel is not safe enough in planes transporting royalty and VIP's abroad, it isn't safe enough for public carriers either.

I believe this matter has been raised in earlier questions. It is an important subject. I agree with the contention of this letter writer, that what is good for VIPs, whether they be in Canada or elsewhere, should be good for the general public. I hope that this measure sponsored by the acting, but yet not quite permanent, government whip—and we hope that his appointment is confirmed—will bring about a greater appreciation of the necessity for having the same type of fuel used in all planes, no matter what passengers they carry. This may not be quite pertinent in terms of the bill, but I would like information on whether VIPs who fly in Canada—some of them may even be in this House—are getting special treatment, because through the years I have advocated that what is good enough for frontbenchers is good enough for backbenchers. This principle applies to every conceivable type of benefit brought into this House, whether it be today, next week or next Christmas.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am very pleased to have the opportunity to intervene for just a moment in this debate because I think the hon. member has brought to the House a measure very well worth referring to the finance committee. I suspect that there may be some problems to be discussed with the law officers of the Crown in terms of the constitutional right of the federal government to do what he proposes, but this does not detract from the fact that the idea of the bill is excellent.

I think, also, that companies which market petroleum products will appreciate the opportunity to come before the committee and give their views on the bill. I see no earthly reason why they should object to complying with such a requirement, because the terminology you see on fuel pumps today, "regular" and "premium", does not mean very much, except that one costs more than the other to the average consumer. If there is indeed anything in octane ratings, the public has a right to have it explained.

In this connection, Mr. Speaker, about a year ago there were a couple of price increases. The price of nickel was increased by about 24.3 per cent, and the Minister of Industry, Trade and Commerce (Mr. Pepin) characterized the increase as quite small, an idea related no doubt to the fact that 96 per cent of our nickel was marketed outside Canada and so the price increase did not have much domestic impact. At the same time there was a boost in gasoline prices at the pumps in Ontario—seven-tenths of one cent per gallon. There was a great hue and cry about that increase, although it only added about $3.50 a year to the motoring costs of the average Ontario automobile operator.

The price of mailing a first-class letter was jumped about 1 cent just about a year ago. That was an increase of 20 per cent. At that time I do not recall anybody demanding an investigation of the Post Office for the purpose of determining whether the cost increase was justified. The Post Office had simply found its operating costs had risen and that, if it was to operate in a prudent business fashion, it had to collect more money

for its services. However, we should not be too surprised to learn that it cost the Post Office an extra cent to move a 2-ounce letter around Canada—

Mr. Deputy Speaker: Order. Would the Parliamentary Secretary resume his seat? The Chair realizes that it may be the wish of hon. members that the debate be wider than usual during discussion of this bill, and I am sure all hon. members were pleased that the Chair gave the hon. member for Saint John-Lancaster (Mr. Bell) considerable latitude in his remarks. The Chair would do the same for the Parliamentary Secretary if this were the general feeling of the House. But because of our practices and procedures, it seems to me that we should note the fact on the record if we agree that the debate should range somewhat far from the subject under discussion.

Mr. Mahoney: Mr. Speaker, I think this bill is directed to ensuring that consumers have an opportunity of assessing whether they are getting their money's worth when they buy gasoline. The point I was making is that if a year ago the Post Office Department determined that it cost an extra penny to move a 2-ounce letter around Canada it should not be too surprising to learn that the oil companies found it cost an extra seven-tenths of one cent to move an extra 7 pounds of gasoline around, which was the price increase it then announced.

I think all of this really relates to the fact that the retail price of gasoline, excluding taxes, in Toronto, for example has risen 1.7 cents per gallon or 6 per cent during the past 15 years while the general price index in Canada had risen 40 per cent. This factor has generally been overlooked. Gasoline prices have in fact been kept down very well by the marketing practices of this great industry. I only wanted to make that point in endorsing this bill which will enable the public better to assure itself that it is getting its money's worth when it buys gasoline.

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I join those who have paid tribute to my good friend from Ottawa for his foresight in introducing the measure that is before the House. Like one of the previous speakers, I reiterate that octane rating in gasoline is obviously not the whole story. It is a technical term that is used by the refiners, but with regard to the performance of the automobile the octane rating does not count very much.

• (4:20 p.m.)

However, I would say to my friend who moved this motion that I have driven a great number of miles and have never experienced any difficulty with gasoline purchased in any province of the Dominion of Canada. I have not had that experience anywhere else. I do not ever recall receiving bad gasoline in Canada. I assure hon. members that I kept my automobile in top shape and, of course, this may be the key. As an earlier speaker said, much of our gasoline contains lead.

An hon. Member: You cannot get the lead out.

[Mr. Mahoney.]

Mr. McCutcheon: Yes. And some even have perfume added. I suggest that our gas expert from British Columbia should take into consideration the fact that people often get into difficulty through buying aged fuel. Sometimes the refineries overproduce and are left with large volumes of first-class fuel. When it becomes aged, they sell it to discount outlets. I would therefore recommend to my hon. friend that he stay away from discount gasoline bars and buy only from reputable gas stations.

An hon. Member: But he is a real cheapskate.

Mr. McCutcheon: I commend the suggestion of an analysis or a test to determine the purity of gasoline. At the moment the weights and measures branch inspects gasoline pumps, but all that that assures us is that when we buy four quarts we get four quarts: there is no real test of the quality of the product. While I am on my feet I would like to say that I take the greatest exception to advertising which uses the low lead content of gasoline as an excuse to raise the price. I do not think that my hon. friend included that matter in his motion.

Some hon. Members: Hear, hear!

Mr. McCutcheon: I think that automobile manufacturers intend to go a long way toward correcting the problem to which my hon. friend referred. Most of the 1971 cars do not require premium fuel, as do the 1969 models. If you take a high-compression motor which requires premium fuel to a discount gas bar and get No. 2 gasoline, you are not likely to get good performance. With this brief interjection, Mr. Speaker, I hope this matter can immediately come to the vote. I do not want to hold it up because I think it is an extremely worth-while proposition.

Mr. Rose: Mr. Speaker, I wonder if I could ask a question. The hon. member for Lambton-Kent (Mr. McCutcheon) has spoken of ancient, or old, gas. Stemming from that would he agree with the old saying, "There is no fuel like an 'oil fuel' "?

An hon. Member: Correct your blues.

[*Translation*]

Mr. Gaston Isabelle (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I do not intend to unduly delay discussions on this bill and its referral to the appropriate committee.

I am always a trifle surprised to hear people talk about octane, octane rating, information to octane consumers and yet nobody could come up with a definition. It would have been extremely important that members enlighten us on the matter.

I have some smattering of chemistry which the Minister of Industry, Trade and Commerce (Mr. Pepin) could perhaps complete since he is an authority on the subject.

Octane cannot be measured, Mr. Speaker, it is simply a saturated hydrocarbon whose formula is C_8 H_{18} that I do remember. Besides the octane rating is used only to measure anti-knock value. Instead of listening to our distinguished colleagues who seem to be omniscient, perhaps someone could have given more precise indications. In fact, the other day when I was watching television I heard the president of a major oil company give interesting facts on the subject of lead and octane in gasoline.

My colleague from Ottawa West (Mr. Francis) knows a great deal about that, but we have to admit that the business of the House is so well organized that we were taken by surprise with this matter. So we are discussing pointlessly, mainly to confess our ignorance.

It would be important, I suggest, to talk instead about something we know.

That is why I would not want to take up much more time of the House. I do not know very much about this subject.

I remember with pleasure what I have learned at university, but unfortunately my recollections are beginning to wear off. I would like an expert to inform us on this important question when the bill reaches the committee stage.

[*English*]

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I just want to say that perhaps this bill is more important than some members realize. I come from an area where there is an international airport, and I believe that the quality of gas and various types of fuel is very important. I am told that the octane rating is a fundamental factor in considering gasoline. I wonder whether the hon. member for Ottawa West (Mr. Francis) had in mind the discrepancy in price between various octane ratings. The consumer is not in a position to assess whether an extra five cents per gallon guarantees him an extra five cents or only an extra cent in value. This was probably in the mind of the capable Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) when he made his observations.

I support the bill, Mr. Speaker. I also recommend that the Minister of Consumer and Corporate Affairs (Mr. Basford) add to his not so busy schedule—and Dr. Young, now paid but unemployed, with his staff of 120—an investigation of the discrepancy in the price charged for gasolines with various octane ratings.

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I rise on a point of order.

A short while ago, I thought I heard the hon. Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Isabelle) referring to the fact that the business of the House seemed to be more or less well planned at this hour of the day on Fridays. In my opinion, it is appropriate that this House and the hon. Parliamentary Secretary know that the government members were very well prepared to discuss items 1 and 2 on today's order paper, meaning the bills introduced by the House leader of the official opposition, the hon. member for Peace River (Mr. Baldwin), and the hon. member for Egmont (Mr. MacDonald) which deal with amendments to the British North America Act and abolition of corporal punishment, respectively.

Had it not been for the absence of some of the official opposition members, we might have been able to proceed with consideration of the bills which were at the top of the list.

• (4:30 p.m.)

[*English*]

Mr. J. E. Walker (York Centre): Mr. Speaker, I believe that many of the comments which have been made go far beyond the purpose of this bill, which is framed in a very narrow context. I would have some difficulty in agreeing that the bill should go to committee on the basis of some of those speeches which have been made. If it went to the committee, on the basis of some of those speeches, one might think it was being sent there to enable the Standing Committee to conduct a full-scale investigation of the entire gasoline retailing industry. That is not the purpose of the bill. I shall read the explanatory note, which is very clear:

> The intent of this bill is to require that all gasoline which is sold to the public shall have conspicuously displayed at such place of sale the octane rating according to a recognized standard to be prescribed by the Minister of Consumer and Corporate Affairs.

This is a narrow subject, and if the bill goes to committee that is the subject that will be discussed. I think it is time to bring our consideration of this bill into perspective and to consider what the mover of the motion had in mind. When I drive to a gasoline pump and ask the attendant to fill the tank of my car, even if I see a sign showing the octane rating of the gas I do not know what it means. I do not know what an octane rating is. For all I know, it could be a three-legged spider.

I remind the House that the purpose of the bill is very narrow. It has to do with the display of a sign on gas pumps to advise the sophisticated few who know what an octane rating is of the octane rating of the gasoline they are buying. I see that the sponsor of the bill is nodding his head. Bearing that narrow context of the bill in mind, it might be a good measure to send to committee for investigation—but only in that very narrow context. I am not sure what the mover of the motion had in mind, nor what enlightenment he felt the bill would give the public. He must know what an octane rating is. I suggest that gasoline companies could give a great deal of information to the public about the meaning of an octane rating.

I wanted to bring to the attention of the House the fact that this bill is framed in a very narrow context. An octane rating may or may not mean anything to the public; however, the mover of the bill thinks it will mean something. I hope the committee to which this bill is referred will not go beyond the narrow context of the bill and that the discussion will not lead to a wide,

public discussion or investigation into the gasoline retailing industry in this country.

Mr. Mahoney: Amen!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise simply to join in the unanimous support for this bill. I thought all those who were going to speak had done so, but I see that there are two others. I hope they can be persuaded to make their speeches on some other bill and to let this one go through.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): There are some members, Mr. Speaker, who think there should be more in the bill; nobody has said that there should be less in it. Indeed, there could not be much less. It has one point, and we all agree with it. There is no rule in the book that says that whatever is before the House on a Friday afternoon has to be talked out. I am afraid that the Liberal members are so used to doing that with our bills that they have forgotten that this bill is sponsored by a Liberal.

An hon. Member: We can discern.

Mr. Knowles (Winnipeg North Centre): May I introduce to the Liberal members of the House the acting chief government whip, the hon. member for Ottawa West (Mr. Francis). It is his bill that we want to vote on. If we pass it now, we can adjourn 20 minutes early. So why do we not pass the bill? It will not be given third reading and sent to the Senate; we shall merely send it to the Standing Committee on Finance, Trade and Economic Affairs, and I assure the hon. member for York Centre (Mr. Walker) that the chairman of that committee will see to it that the bill is dealt with properly.

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

Some hon. Members: Question.

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I join the hon. member for York Centre (Mr. Walker) in saying that the debate on this bill has been too wide-ranging. I am pleased to inform the House that neither my car nor the car of my colleague the hon. member for Lambton-Kent (Mr. McCutcheon) has ever stalled as a result of bad gas. He and I both come from the chemical valley and we have nothing to fear from this bill.

Earlier, the hon. member for Battleford-Kindersley (Mr. Thomson) talked about tourist promotion. I invite him and other hon. members to come to Sarnia and tour our refineries which are the finest in the world. If any hon. member with a 1969 car is having trouble, it is clear that he spent too much money on the car and too little on gas. Such difficulties could never be attributed to gas that comes from the chemical valley.

I do not think we need worry about octane ratings. Nevertheless, I support the principle of the bill. The high quality of the gasoline that is produced by our refineries, and the high quality of the workmanship that has gone into the building of those refineries, leads me to say that we have nothing to fear and that we would welcome this measure. It would have the effect of taking away business from those two-bit businesses which try to sell what people call gasoline of a low octane rating. When we buy that sort of gas we have reason to complain. I therefore say on my own behalf and, no doubt, on behalf of the hon. member for Lambton-Kent that we who come from the chemical valley welcome this measure. I think we are all united in our views in Sarnia and the Lambton area generally. We have nothing to fear from octane ratings being shown at gasoline stations or on gas pumps.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I do not intend to prolong this debate. I was surprised to hear the House Leader of the New Democratic Party suggest that government supporters do not have a keen interest in this subject.

Mr. Knowles (Winnipeg North Centre): It is too keen; that's the trouble.

Mr. Perrault: I for one think that every right should be extended to government supporters to speak on this subject. In many ways this has been a pretty high-octane debate. I think we have pumped the subject dry and I think it is time to get the lead out and refer the bill to the appropriate committee.

Mr. Lundrigan: Mr. Speaker, I wonder if I might ask a question. Is the government planning to establish a ministry of gas, and is consideration being given to appointing the hon. member for Burnaby-Seymour (Mr. Perrault) as its head?

Some hon. Members: Hear, hear!

Mr. Maurice Foster (Algoma): Mr. Speaker, I should like to assure the hon. member for Winnipeg North Centre (Mr. Knowles) that we on this side of the House are quite aware of the vast powers of the chief government whip, and therefore we would not exercise any rights we might have to talk out this bill.

I think the proposal put forward by the hon. member for Ottawa West (Mr. Frances) is very worthwhile. It would be in the best interests of the public if we could see such octane ratings. I am not as familiar with the process involved as the hon. member for Sarnia-Lambton (Mr. Cullen). I do not know whether it is possible to list the octane rating of gasoline at a gas pump. If it were possible to do so, I think it ought to be done because it would increase the efficiency and effectiveness of retailing gasoline to the general public.

The hon. member for York Centre (Mr. Walker) has suggested that because the parameters of the bill are

very narrow it should not be a vehicle for launching a full-scale investigation into the gasoline industry. On the other hand, I believe there is need for a full-scale investigation into the price of gas; in one part of Ottawa you may pay 44 cents per gallon, whereas only a few blocks away you may pay between 50 and 55 cents per gallon for the same type of gas. We all know that these cut-rate outlets purchase their gasoline from the same bulk tanks. The Minister of Consumer and Corporate Affairs (Mr. Basford) should look into this situation.

• (4:40 p.m.)

The hon. member for Esquimalt-Saanich (Mr. Anderson) spoke about the problem of pollution. Some hon. members may feel there is a problem of gas pollution in this chamber this afternoon. There is certainly a problem with regard to the amount of lead in gasoline; in fact, it is a potential health problem. Some research has been carried out on animals pastured close to heavily-travelled, public thoroughfares. When testing the serum they are able to determine which animals are pastured near heavily-travelled, public thoroughfares by reason of the amount of lead in the animals' blood.

The Department of Consumer and Corporate Affairs and the general public should be assured that higher prices are not being charged for gasoline which, although it is more expensive to produce, does not have more value. I do not want to talk out this bill or to do anything to prevent its passage.

Mr. Speaker: The hon. member for South Western Nova (Mr. Comeau).

An hon. Member: Don't be a Liberal.

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, the hon. member says, "Don't be a Liberal". In the two years that I have been here the only private members' bills that have been sent to committee have been those introduced by Liberal members.

Mr. Speaker: Order, please. The hon. member will appreciate that at this stage he should discuss this bill and not bills which may have been considered in different ways in the past. I suggest that at this stage his contribution should be limited to the bill before the House.

Mr. Comeau: I agree with what Your Honour has just said. I made that remark because I feel it is important. The bill simply requires that gas stations post signs on their gas tanks to indicate whether they are selling low, regular or high-test gas and also the octane content. What will happen?

Mr. Borrie: Nothing.

Mr. Comeau: Exactly. I have had seven years of university training as a physicist. I have done some chemistry. The word "octane" does not mean very much to me. Holy smoke, Mr. Speaker—

Mr. Pepin: That is right. It means "holy smoke."

Mr. Comeau: —what good will it do to post the octane content on gasoline tanks? Will Joe Smith from Yarmouth understand how it affects him? He is really only concerned about the price of gasoline. If the government requires gas stations to post these signs, the gas companies will have to hire men to do this work and the price of the gas will be increased another cent per gallon. I am opposed to this bill. I do not think it will do anything good. The gas companies will say that they must increase the price because of the cost of installing these signs.

I think it is very important to have a high octane ratio in gasoline. I think this should be checked by the distributors who supply the gas stations. This matter could be handled by the gasoline inspectors in the provinces. If the gasoline inspectors are doing their job, they can assure consumers that they are receiving the proper grade of gasoline. If it is not up to standard, we should be so informed by the inspectors. I do not see how the consumers will benefit from information that the gasoline they purchase contains a certain amount of octane. If the situation needs correcting, the inspectors should investigate the gas being delivered by the distributors. I cannot see that this bill will help the consumer other than—

An hon. Member: Nine minutes to go.

Mr. Knowles (Winnipeg North Centre): What is the message?

Mr. Comeau: It is a joke between the whip and I. This bill is not very elaborate; it contains only one paragraph. I am not going to speak at length on it because I believe that merely posting a sign will not benefit the consumer. The inspectors must provide the necessary checks to ensure that the gas has the proper octane content. The hon. member for Ottawa West (Mr. Francis) and other hon. members may have purchased gasoline which does not give their automobiles the usual amount of pep. By posting a sign, the problem will not be remedied. We should make sure that the gas is properly inspected and brought up to the required standard. I think other hon. members want to speak in this debate, so I will resume my seat.

• (4:50 p.m.)

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

Mr. Comeau: Yes.

Mr. Bell: As one who I know has watched provincial rights quite jealously, coming as he does from Nova Scotia, would the hon. member agree with the contention put forward by the Parliamentary Secretary a few minutes ago that this bill is really an infringement on provincial matters and, therefore, we should not let it pass this afternoon before finding out a little more about the jurisdictional problem that might be created if the bill were passed?

Mr. Comeau: This point is probably valid, Mr. Speaker. The government often refers matters to the courts, and perhaps we should make a positive determination here. The government is very conscious of the fact that we should not infringe provincial rights, and therefore we should be very careful in this field too.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I do not rise to support this bill. I have no doubt that this bill is of prime concern to the hon. member who introduced it, and I have no objection to a bill of this nature being introduced. But I feel that many of these bills deal with issues that are too narrow in scope. This is a prime example, because we are dealing with but one aspect of the sale of gasoline.

The hon. member who preceded me stated very emphatically that the bill should go through quickly because it was narrow in scope and dealt only with octane rating. He suggested we should let the committee make a decision on the bill. My objection is that this bill is not broad enough in scope, that we are dealing only with one small aspect of the entire problem, namely, the octane rating and the difference it makes to the price of gasoline. If we are going to ask the committee to spend not only valuable parliamentary time but the valuable time of its members considering this bill, it should consider the whole subject and not only one little segment of it.

I am concerned about the bill restricting itself to octane content. I find it strange indeed that a bill of this nature was not introduced years ago rather than today when the whole question of automobile propulsion is in a state of flux. Although the octane content of gasoline may be of prime quality today, a year or two from now it could be a very insignificant factor indeed. We are here seized with the proposition that we should pass a bill to make it mandatory for gasoline companies and those who distribute gasoline to acknowledge in a very concrete fashion the one provision of the bill.

There are indications from all across North America, the home of the automobile, that air pollution is a very considerable factor in automobile propulsion. Many companies and people are seized with the problem of fuel pollution, and no doubt octane reading in gasolines is part of their over-all consideration. But we do not want our parliamentary procedures to be tied to the contemplation of a bill which, even before it gets to committee, may have its provisions made obsolete. This is why I am concerned with this measure, though it is to the credit of a private member to bring in a bill of this nature. Indeed, he has every right to do so and I have no quarrel with him on that score. We know he has a valid and good reason for bringing in this measure. But as I say, I am concerned, as I know you are, Mr. Speaker, with the whole question of the introduction of private members' bills. We have so many of them to deal with and in such a limited time. A bill of this kind has to be dealt with in a period of one hour, and it embraces a subject of complexity and one of interest not only to consumers but to the oil industry at large.

We may think that in bringing in a regulation controlling the sale of fuel only we are not affecting many people. But this regulation would affect not only consumers of gasoline but the entire oil industry, an industry that should be given ample opportunity to examine the ramifications of the bill and to inform itself about it. It is said that this bill should be dealt with by the committee. I am not prepared to let the bill go to committee. Indeed, I am prepared to assume responsibility for talking it out. We have to take a stand somewhere in regard to the way we deal with public bills. I am very incensed because the government puts the emphasis on propelling their members' bills through to committee but—

Mr. Speaker: Order, please. The hour assigned to the consideration of private members' business has now expired. The House stands adjourned until Monday at two o'clock in the afternoon.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, December 14, 1970

The House met at 2 p.m.

ROUTINE PROCEEDINGS

HOUSE OF COMMONS

TABLING OF REPORT OF ADVISORY COMMITTEE ON PARLIAMENTARY SALARIES AND EXPENSES

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I should like to table two copies of the Report of the Advisory Committee on Parliamentary Salaries and Expenses. In so doing I wish to thank the committee members for undertaking and completing this assignment.

* * *

INDUSTRY

TABLING OF REPORT OF PRICES AND INCOMES COMMISSION ON MANUFACTURED EDIBLE OIL PRODUCTS

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I should like to table in both official languages a report of the Prices and Incomes Commission concerning a review of manufactured edible oil products.

(a) Creative
Film Production Group
Film Technician Group

(b) Administrative
Film Officer Group
Others

(c) English Production Branch

(d) French Production Branch

Please note that the Production Branch percentages for the years 1966, 1967, 1968 and 1969 have been adjusted to represent the functions presently performed by the Production Branches. For example, Stills Photo personnel have been deleted from the Production Branch figures, and cameramen have been included although previously they were in the Technical Operations Branch.

2. (a) No. The NFB expects to receive $130,000 above the sum of $300,000 in 1970/71. (b) Since the suspension of the film rental charges, the NFB has taken steps to ensure that, with its available resources, service to the public would suffer as little as possible.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

NATIONAL FILM BOARD

Question No. 2—**Mr. Nowlan:**

1. What percentage of the total National Film Board staff in each of the last five years, was (a) creative (b) administrative (c) in the English Production Branch (d) in the French Production Branch?

2. Did the National Film Board lose $1,200,000.00 consequent on the indefinite suspension of film rental charges as stated in an article published in Canadian Dimension, Vol. 6 No. 8 1970 and (a) if so, by how much does the Minister intend to increase the reimbursement for loss of revenue above the sum of $300,000 (b) if not, what concrete and active steps has the National Film Board taken to cut back costs, and does the Minister consider these steps will lead to a more creative and effective National Film Board?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the National Film Board as follows: 1. Percentages of the total National Film Board staff in each of the last five years:

	1966	1967	1968	1969	1970
(a) Creative					
Film Production Group	28	28	27	28	28
Film Technician Group	19	18	18	18	18
	47	46	45	46	46%
(b) Administrative					
Film Officer Group	12	11	11	11	11
Others	5	5	6	5	6
	17	16	17	16	17%
(c) English Production Branch	20	19	18	18	17%
(d) French Production Branch	7	7	8	8	8%

[*English*]

CRTC—EVALUATION OF PROGRAMS IN DETERMINING CANADIAN CONTENT REQUIREMENTS

Question No. 62—**Mr. Thompson:**

On what basis or formula does the Canadian Radio-Television Commission evaluate programs in determining whether or not such programs are to be designated "Canadian" under the Canadian content requirements?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): The present Television Broadcasting Regulations enacted by the

Questions

CRTC set a limit on the proportion of broadcast time for non-Canadian programs on Canadian television stations. These Regulations assume that Canadian broadcasters are well able to identify a wholly Canadian program.

When a program contains non-Canadian elements, the Commission assesses the program on the basis of the predominance of Canadian creative and other resources in the various components of the production. The elements of production considered for this purpose include creative control, the performers involved, the production staff and the facilities.

Selective monitoring and study of a sample of programs are conducted to ensure compliance with Regulations.

With respect to AM Radio, the CRTC established the following conditions as requirements for a musical composition to be deemed "by a Canadian": (a) the instrumentation or lyrics were principally performed by a Canadian; (b) the music was composed by a Canadian; (c) the lyrics were written by a Canadian; (d) the live performance was wholly recorded in Canada.

This amendment will come into effect on January 18, 1971.

During the first year, one of the above four conditions must be fulfilled; afterwards, at least two of the conditions must be fulfilled.

[*English*]

AIR CRASH AT WABUSH, NFLD.

Question No. 121—**Mr. Forrestall:**

Has the government, as a result of the air crash at Wabush, Newfoundland on November 11, 1969, received any indication from any party with respect to further legal proceedings?

Hon. John N. Turner (Minister of Justice): Yes. Five Petitions of Right have been filed and served on behalf of the families of five of the six passengers.

CANADA'S ANNUAL CONTRIBUTION TO UNRWA

Question No. 179—**Mr. Macquarrie:**

1. Since the establishment of the United Nations Relief and Works Agency (UNRWA), what has been Canada's annual contribution to its operating budget?

2. In each case, what percentage of the total budget did such contribution comprise?

3. What assistance has Canada provided towards relief and rehabilitation of the victims of the Jordanian civil war?

4. What requests have been received?

5. Is it intended to extend further assistance and, if so, in what form and amounts?

6. What Canadian officials have visited the Kingdom of Jordan since the termination of the conflict?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1 and 2. Attached is a table indicating Canada's annual contribution to UNRWA and relating this contribution to (1) UNRWA's annual expenditure and (2) annual government contributions received by UNRWA. In all years except UNRWA fiscal years 1950/51 and 1951/52 expenditure exceeded government contributions. This difference was met by income from investments, non-governmental contributions, miscellaneous income and drawdowns on working capital.

3. Canada has provided a total of $50,000 in two separate contributions of $25,000 to the Red Cross for relief operations in Jordan and a supplementary contribution of $150,000 to UNRWA for 1970 for use by the Agency in meeting the increased demands on its resources resulting from the hostilities in Jordan.

4. Two general appeals for assistance were received from the International Committee of the Red Cross.

5. No further assistance is contemplated at the present time.

6. None.

UNRWA Fiscal year	Total Expenditures	Total Government Contributions	Canadian Contribution	Canadian Contribution as per cent of Expenditures	Canadian Contribution as per cent of Total Contribution
May 1950-June 1951	$33,598,972	$39,477,281	1,400,313	4.17	3.52
July 1951-June 1952	28,573,058	67,686,495	0	0	0
July 1952-June 1953	26,778,934	26,867,673	600,000	2.22	2.24
July 1953-June 1954	29,192,012	22,684,330	515,000	1.77	2.27
July 1954-June 1955	29,222,705	23,673,500	515,000	1.76	2.17
July 1955-June 1956	32,198,550	23,385,026	0	0	0
July 1956-Dec. 1957	52,464,139	42,378,773	1,208,126	2.30	2.86
Jan. 1958-Dec. 1958	32,777,564	32,555,876	2,138,750	6.32	6.55
Jan. 1959-Dec. 1959	35,015,817	32,625,400	2,075,000	5.82	6.35
Jan. 1960-Dec. 1960	34,674,460	33,828,887	3,060,000	8.81	9.05
Jan. 1961-Dec. 1961	39,051,521	34,386,052	2,069,500	5.30	6.04
Jan. 1962-Dec. 1962	35,688,844	34,308,775	925,000	2.59	2.70
Jan. 1963-Dec. 1963	36,207,078	34,444,063	925,000	2.56	2.68
Jan. 1964-Dec. 1964	37,192,861	33,963,601	925,926	2.46	2.74
Jan. 1965-Dec. 1965	37,618,472	34,000,353	1,111,111	2.94	3.27
Jan. 1966-Dec. 1966	37,498,420	34,969,322	1,111,111	2.93	3.17
Jan. 1967-Dec. 1967	40,540,693	40,335,873	2,463,768	6.06	6.09
Jan. 1968-Dec. 1968	43,987,105	37,561,310	1,709,445	3.98	4.55
Jan. 1969-Dec. 1969	46,161,048	39,792,749	1,574,074	3.41	3.99
Jan. 1970-Dec. 1970	46,145,000	39,102,769	1,266,995	2.79	3.22
	734,587,253	708,028,108	25,599,079	3.31	3.62

(All figures are in U.S. dollars.)

CRTC—CONTRACTS CARRIED OUT BY BIRO INC.

Question No. 234—**Mr. McCleave:**

1. What contracts have been carried out or are being carried out by Biro Inc. for the Canadian Radio-Television Commission and (a) what is the nature of each (b) what are the amounts?

2. Who are the officers of Biro Inc. and their postal addresses and with which one or ones did CRTC have dealings by (a) correspondence (b) telephone or personal meetings, in connection with these contracts?

3. Is anyone now paid by CRTC as an employee or consultant a former officer or employee of Biro?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I have been informed by the Canadian Radio-Television Commission as follows: 1. Three contracts have been carried out by Biro-Incorporated: (a) (i) To provide consultant services and work at the development and implementation of a computer based management information system. (ii) To undertake a study of the feasibility of establishing a control and planning system for management. (iii) To provide consultant services and work at the development and implementation of the control and planning system.

(b) (i) $356,000 over a period running from October 23, 1967 to December 31, 1970. (ii) $5,000 over a period running from August 15, 1969 to September 15, 1969. (iii) $13,000 over a period running from September 15, 1969 to January 15, 1970.

2. Biro Incorporated—Bureau d'informatique et de Recherche Opérationnelle, 1070 avenue De La Tour, Quebec 4, Que; André Juneau, 1155 De La Tour, Quebec 4, Quebec; Jeannine (Mrs. André) Juneau, 1155 De La Tour, Quebec 4, Quebec; Fernand Cadieux, 5018 Avenue Victoria, Montreal, Que.

(a) and (b) André Juneau (Mr. André Juneau is not a relative of the Chairman of the CRTC.)

3. Yes, Stanley Jetchick, former employee, and Guy Lefebvre, former employee.

[*English*]

NATIONAL MUSEUM—LOANING OF POSSESSIONS TO PRIVATE EXHIBITORS

Question No. 237—**Mr. McCleave:**

1. Does the National Museum lend any of its possessions to private exhibitors?

2. If so, on what conditions as to cost of transport and packing, and as to commercial use?

3. Did the National Museum make loans to any group or groups in Atlantic Canada in 1969 and, if so (a) to whom (with postal addresses) (b) on what terms?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. No.

2. Not applicable.

3. The Museum of Man loaned in 1969 military uniform equipment to the Regiment Adjutant Royal Canadian Dragoons Cambrai Barracks, Canadian Forces Base Gagetown, Oromocto, New Brunswick. Costs of in-bound freight and insurance was borne by the borrower.

Loans by the National Gallery during 1969 to the Atlantic Provinces were as follows: To National Defence Establishments: Canadian Forces Base: Cornwallis, Nova Scotia; Gagetown, New Brunswick; Gander, Newfoundland; Halifax, Nova Scotia; Moncton, New Brunswick; Shearwater, Nova Scotia; St. John's Newfoundland.

To Non-National Defence Establishments: University of New Brunswick, Fredericton, New Brunswick; The Army Museum, Halifax Citadel; Arts and Culture Centre, St. John's Newfoundland; Memorial University, St. John's Newfoundland; Dalhousie University, Halifax, Nova Scotia; Mount Allison University, Sackville, New Brunswick; Confederation Arts Centre, Charlottetown, Prince Edward Island; Beaverbrook Art Gallery, Fredericton, New Brunswick.

For individual loans or special exhibitions the borrowing institution assumes responsibility for care, transportation and insurance. For travelling extension exhibitions, the National Gallery pays for the transportation but each participating gallery is charged a nominal fee.

[*English*]

DEBT OWED BY NIGERIA TO CANADA

Question No. 269—**Mr. Robinson:**

What debt, if any, is owed by Nigeria to Canada and what are the terms of repayment?

Hon. Mitchell Sharp (Secretary of State for External Affairs): $13,100,000 comprised of three development loans: (a) one in the amount of $1.6 million, $450,000 of which is repayable over 30 years, with a seven year grace period, and an interest rate of 3 per cent, with the remainder of $1,150,000 having a maturity of 50 years, a grace period of ten years and an interest rate of 0 per cent; (b) one in the amount of $8 million, of which $2 million is repayable over 30 years, with a seven year grace period, and an interest rate of 3 per cent, with the remainder of $6 million having a maturity of 50 years, a grace period of ten years, and an interest rate of 0 per cent; and (c) one in the amount of $3,500,000 repayable over 25 years, with a five year grace period and with an effective rate of interest of 4 per cent over the life of the loan.

DEBT OWED BY GHANA TO CANADA

Question No. 279—**Mr. Robinson:**

What debt, if any, is owed by Ghana to Canada and what are the terms of repayment?

Hon. Mitchell Sharp (Secretary of State for External Affairs): $7,580,000 comprised of two development loans in the amounts of $5,830,000 and $1,750,000, each having a maturity of 50 years, a grace period of ten years, and an interest rate of 0 per cent.

COMPANY OF YOUNG CANADIANS

Question No. 286—**Mr. Rodrigue:**

1. In what year was the Company of Young Canadians established?

2. How much money has been granted by the government to CYC since it was founded?

Questions

3. How many persons are and have been employed by CYC since it was founded?

4. Do any other agencies contribute funds or have they contributed to CYC since it was founded and, if so, (a) which ones (b) in what amounts?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Company of Young Canadians as follows: 1. The Company of Young Canadians was established in July 1966.

2. Since founded, the Company of Young Canadians has received the following yearly grants: 1966-1967, $893,908; 1967-1968, $2,400,000; 1968-1969, $1,900,000; 1969-1970, $1,900,000.

3. Number of persons who have been employed by the Company of Young Canadians since it was founded:

(a) Staff	
1966 to April 1967	73
April 1967 to December 1967	117
January 1968 to December 1968	107
January 1969 to December 1969	136
January 1970 to November 1970	56
(b) Volunteers	
1966 to April 1967	136
April 1967 to December 1967	267
January 1968 to December 1968	288
January 1969 to December 1969	333
January 1970 to November 1970	200
(c) Consultants	
1966 to April 1967	30
April 1967 to December 1967	21
January 1968 to December 1968	23
January 1969 to December 1969	35
January 1970 to November 1970	15

4. No. However, contributions of time and money have been made by individuals, agencies and universities to local projects in which the CYC has participated.

[*English*]

OTTAWA—GREENBELT FARM CONSTRUCTION CONTRACT

Question No. 295—**Mr. Paproski:**

1. Were tenders called for contract CR-67-10 to cover the erection of buildings 31A, 31B and 34, Greenbelt Farm and, if so (a) what was the number of bids received (b) what was the highest and what was the lowest (c) what bid was accepted (d) how was the notice of tender publicized?

2. If no tenders were submitted, what was the reason?

3. Who was awarded the contract?

4. If the Department of Public Works executed the contract (a) what was the cost of (i) architectural supervision (ii) engineering supervision (iii) excavation (iv) foundation (v) super structure roofing contractor and concrete supplier (vi) masonry construction (vii) interior divisions plastering and interior finish partition (viii) heating and air conditioning (ix) electrical wiring (x) plumbing and heating (b) by whom was same done?

5. Who was the bonding company for sub contracts?

6. With whom was the insurance placed for sub trades?

[Mr. Rodrigue.]

Hon. Arthur Laing (Minister of Public Works): 1. Yes, (a) Eleven tenders were received; (b) Highest tender, $419,462, lowest tender, $338,000; (c) Lowest tender, (d) Public advertisement: Newspapers—Ottawa and Hull, Daily Commercial News, Toronto.

2. Not applicable.

3. Cooper-Ellis Limited.

4. (a) and (b), (i) $9,795—Brais, Ouellette, Frigon, Brett, Hanley & Berthiaume; (ii) None; (iii) to (x) In very few cases does the Department require the General Contractor to list on the tender form all the names of the subcontractors they propose using. A cost breakdown by trades, as provided by the General Contractor, is attached including the names of those trades which were required to be listed.

5 and 6. The contractual arrangements are directly between the Department and the General Contractor. Consequently the matter of performance bonds and insurance for sub contractors is the sole responsibility of the General Contractor.

Cost Breakdown by Trades

Greenbelt Farm, A.R.I. Buildings 31A, 31B and 34—Contract N.C.R. 67-10

Excavation, grading and backfill	$ 8,000
Services, excavation and backfill	6,000
Concrete	65,000
Sealcote and culverts	6,000
Cages	34,000
Wire partitions	22,000
Miscellaneous metals	4,000
Rough carpentry	27,000
Finish carpentry and hardware	17,000
Insulation	10,000
Painting	15,000
Feed conveying and storage	14,000
Plumbing, heating and ventilating (Bradley Plumbing and Heating Co. Ltd.)	42,000
Electrical (C and M Electric)	42,000
Metal roofing and siding	26,000

OTTAWA—SUPREME COURT BUILDING

Question No. 297—**Mr. Paproski:**

1. Were tenders called for contract CR-67-2703 to cover alterations to the Supreme Court Building and, if so (a) what was the number of bids received (b) what was the highest and what was the lowest (c) what bid was accepted (d) how was the notice of tender publicized?

2. If no tenders were submitted, what was the reason?

3. Who was awarded the contract?

4. If the Department of Public Works executed the contract (a) what was the cost of (i) architectural supervision (ii) engineering supervision (iii) excavation (iv) foundation (v) super structure roofing contractor and concrete supplier (vi) masonry construction (vii) interior divisions plastering and interior finish partition (viii) heating and air conditioning (ix) electrical wiring (x) plumbing and heating (b) by whom was same done?

5. Who was the bonding company for sub contracts?

6. With whom was the insurance placed for sub trades?

Hon. Arthur Laing (Minister of Public Works): 1. Yes, (a) Eight tenders were received; (b) Highest tender, $634,636., lowest tender, $497,980; (c) Lowest tender; (d) Public advertisement: Newspapers—Ottawa, Hull, Montreal, Toronto, La Voix de la Construction, Montreal, Daily Commercial News, Toronto, Heavy Construction News, Toronto.

2. Not applicable.

3. M. J. LaFortune Construction.

4. (a) and (b), (i) $15,267, Murray & Murray, Architects; $5,932.50, Daniel Forget, Clerk of Works; (ii) none; (iii) to (x) In very few cases does the Department require the General Contractor to list on the tender form all the names of the subcontractors they propose using. A cost breakdown by trades, as provided by the General Contractor, is attached including the names of those trades which were required to be listed.

5 and 6. The contractual arrangements are directly between the Department and the General Contractor. Consequently the matter of performance bonds and insurance for subcontractors is the sole responsibility of the General Contractor.

Cost Breakdown by Trades

Alterations, Supreme Court Building—Contract N.C.R.-67-2703

General—Fixed Cost	$ 4,980
—Operating Cost	21,391
Demolishing	16,428.
Concrete	10,680
Masonry	9,970
Carpentry	5,540
Millwork	19,700
Structural steel	21,500
Plumbing, heating and ventilation (Rene Cleroux Limited)	256,220
Electrical (Univex (Canada) Limited)	48,500
Plastering	7,200
Terrazzo and tile	3,500
Floor tile	1,450
Acoustic tile	5,900
Carpet	2,781
Painting	8,000
Hardware	3,045
Miscellaneous metal	4,500
Metal partitions	2,150
Metal doors and frames	1,125
Elevators and dumbwaiter	40,630
Miscellaneous	2,790

OTTAWA—MUSEUM OF SCIENCE AND TECHNOLOGY

Question No. 298—**Mr. Paproski:**

1. Were tenders called for contract CR-67-2706 to cover alterations to the Museum of Science and Technology and, if so (a) what was the number of bids received (b) what was the highest and what was the lowest (c) what bid was accepted (d) how was the notice of tender publicized?

2. If no tenders were submitted, what was the reason?

Questions

3. Who was awarded the contract?

4. If the Department of Public Works executed the contract (a) what was the cost of (i) architectural supervision (ii) engineering supervision (iii) excavation (iv) foundation (v) super structure roofing contractor and concrete supplier (vi) masonry construction (vii) interior divisions plastering and interior finish partition (viii) heating and air conditioning (ix) electrical wiring (x) plumbing and heating (b) by whom was same done?

5. Who was the bonding company for sub contracts?

6. With whom was the insurance placed for sub trades?

Hon. Arthur Laing (Minister of Public Works): 1. Yes, (a) Five tenders were received; (b) Highest tender, $484,053, lowest tender, $431,000; (c) Lowest tender; (d) Public advertisement: Newspapers—Montreal, Toronto, Ottawa and Hull, Daily Commercial News, Toronto, Heavy Construction News, Toronto.

2. Not applicable.

3. A. Lanctot Construction Company Limited. (All bidders were required to provide a provisional cash allowance of $40,000 in their tendered price to cover the cost of site work, landscaping and paving. During the tendering period, it was decided that this work would be done by separate contract. As a result, the contract award amount was reduced by $40,000.)

4. (a) and (b), (i) $11,646.64, Strutt & Adamson, Architects, $1,024.55, Subsurface Investigation, McRostie, Seto & Genest, Drilling and lab study; (ii) None; (iii) to (x) In very few cases does the Department require the General Contractor to list on the tender form all the names of the subcontractors they propose using. A cost breakdown by trades, as provided by the General Contractor, is attached including the names of those trades which were required to be listed.

5 and 6. The contractual arrangements are directly between the Department and the General Contractor. Consequently the matter of performance bonds and insurance for subcontractors is the sole responsibility of the General Contractor.

Cost Breakdown by Trades

Alterations to Museum of Science and Technology—Contract N.C.R.-67-2706

Mechanical (J. R. Seguin and Company)	$ 64,300
Electrical (Glebe Electric)	108,700
Painting	8,290
Precast concrete	42,355
Glazing	6,453
Plastering	6,390
Flooring	3,900
Laboratory equipment and furniture	8,165
Skylights	3,370
Ceramic tile	1,860
Roofing	8,700
Structural and reinforcing steel	2,400
Doors and frames	4,200
Toilet partitions	600
Overhead doors	12,162
Hardware	4,300
Concrete, carpentry, masonry, excavation—overhead, profit and supervision	104,855

Questions

NEW DRUG APPLICATIONS

Question No. 317—**Mr. Foster:**

1. During the past five years, how many new drug applications have been received by the Food and Drug Directorate?

2. How many of these applications have been approved and the drug licensed for use in Canada?

3. How many of the drugs licensed for use in Canada had already been licensed for use in the U.S.A.?

Hon. John C. Munro (Minister of National Health and Welfare): 1. In the years 1965-1969 inclusive, a total of 1,586 submissions on new drugs were received. Of this total 1,193 were for drugs for use in man, and 393 were for use in animals.

2. A total of 1,124 submissions were cleared, comprising 944 human drug submissions and 180 veterinary drug submissions.

3. Information not available.

OTTAWA—CANADIAN BUILDING

Question No. 324—**Mr. Paproski:**

1. Were tenders called for contract OC-05787—Alterations to 7th, 8th, 9th and 13th floors, Canadian Building and, if so (a) what was the number of bids received (b) what was the highest and what was the lowest (c) what bid was accepted (d) how was the notice of tender publicized?

2. If no tenders were submitted, for what reason?

3. Who was awarded the contract?

4. If the Department of Public Works executed the contract (a) what was the cost of (i) architectural supervision (ii) engineering supervision (iii) excavation (iv) foundation (v) super structure roofing contractor and concrete supplier (vi) masonry construction (vii) interior divisions plastering and interior finish partition (viii) heating and air conditioning (ix) electrical wiring (x) plumbing and heating (b) by whom was same done?

5. Who was the bonding company for sub contracts?

6. With whom was the insurance placed for sub trades?

Hon. Arthur Laing (Minister of Public Works): 1. No.

2. Tenders were not requested because it was essential that the building owner carry out the work, which affected the building's mechanical and electrical services, to maintain continuity of guarantees under the lease arrangements.

3. The owner of the building, Ottawa Commercial Realties engaged the contractor.

4, 5 and 6. Not applicable.

ROSTHERN, SASKATCHEWAN—SENIOR CITIZENS' RESIDENCES

Question No. 346—**Mr. Gleave:**

1.What amounts are being contributed by (a) the federal government (b) the provincial Government (c) the Town of Rosthern, toward the ten one-bedroom units being built for senior citizens in Rosthern, Saskatchewan?

2. What amount was paid for the land involved?

Hon. Robert K. Andras (Minister without Portfolio): 1. The cost of the ten one-bedroom housing units for elderly persons in the Town of Rosthern, Saskatchewan is being shared among the three levels of government as follows: Federal Government, $88,267; Provincial Government, $23,538; Municipal Government, $5,885; Total: $117.690.

2. The estimated cost for the serviced land for this project is $6,320 and is included in the figures given above.

FEDERALLY OWNED PROPERTIES

Question No. 360—**Mr. Fortin:**

1. What is the area of land owned by the federal government in each province?

2. Is there a complete and perpetual inventory of federally owned properties?

3. What action has been taken since the release of the Glassco Report to improve the management of real property?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): 1. The area of land owned by the federal government as recorded in the Central Inventory of Federal Properties, by province, is:

Province	No. of Acres
Newfoundland	96,041
Prince Edward Island	1,353
Nova Scotia	22,514
New Brunswick	318,532
Quebec	280,485
Ontario	268,283
Manitoba	51,707
Saskatchewan	77,445
Alberta	101,751
British Columbia	164,158
*Yukon Territories	21,125
*Northwest Territories	90,193

*Includes only property that is being utilized by federal departments or agencies.

2. There is a perpetual inventory of federally owned land. The inventory is estimated to be 90% complete at the present time and is expected to be completed by the end of 1971.

3. Several of the recommendations made by the Glassco Report to improve real property management have been acted upon; more recently the Treasury Board-Department of Public Works Task Force has examined the entire ecect of real property management and proposals are now being studied for presentation to the government.

[*English*]

DEPARTMENT OF COMMUNICATIONS—MAN-HOURS SAVED AS A RESULT OF USE OF COMPUTERS

Question No. 377—**Mr. Robinson:**

How many man-hours have been saved as a result of the utilization of computers by the Department of Communications during each year since computers have been used?

Hon. Eric W. Kierans (Minister of Communications): The Department of Communications has utilized computers since 1969 in connection with its research and administrative programs. The man-hour savings in gen-

eral are derived from estimates of the additional personnel that would have been required to cope with the increased workload over the past two years. In the Research area only moderate savings were estimated because it is realized that the majority of the present research projects would not be feasible without the use of computers.

Man-hours saved: 1969-70, 51,000 man-hours; 1970-71 (projected) 80,000 man-hours.

PERSONNEL OF DEPARTMENT OF COMMUNICATION AND POST OFFICE DEPARTMENT

Question No. 398—**Mr. Macquarrie:**

1. What is the total number of full-time employees in (a) the Department of Communications (b) the Post Office Department?

2. What are the names, duties and salary of the personnel in the office of (a) the Minister of Communications (b) the Minister without Portfolio responsible for the Post Office?

3. At this date, November 9, 1970, who is the Postmaster General of Canada?

4. Is it intended to commission further studies on the question of converting the Post Office Department into a Crown corporation?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Communications and by the Post Office Department as follows: 1. (a) 1,324; (b) 36,755.

		Salary Scale
2. (a)	Mr. A. Houle, Special Assistant	$12,500-15,000
	Miss F. Ievers, Special Assistant	7,500-10,000
	Miss I. Lefort, Private Secretary	7,500-10,000
	Mr. P. Saumure, CR-3	5,632- 6,191
	Miss R. Paul, ST-6	6,294- 6,918
	Miss A. Kinkella, ST-5	5,632- 6,191
(b)	Mr. J. R. Bellemare, Executive Assistant	$15,000-17,500
	Miss M. J. P. Thériault, Special Assistant	12,500-15,000
	Mrs. G. Cousineau, Private Secretary	7,500-10,000
	Mrs. M. Dubois, ST-6	6,294- 6,918
	Mr. G. Prud'homme, CR-3	5,632- 6,191

3. In accordance with Section 3 (2) of the Post Office Act, the Minister of Communications is the Postmaster General of Canada. By Order-in-Council P.C. 1970-1704, the Hon. Jean-Pierre Côté is authorized to act at all times for the Postmaster General in respect of the office of Postmaster General.

4. No. As mentioned by the Prime Minister in the House on November 9th, the Hon. Jean-Pierre Côté has been asked to study this question and is now pursuing the study.

MEADOW LAKE, SASK.—COST OF PUBLIC HOUSING

Question No. 401—**Mr. Gleave:**

1. How much money is being contributed by (a) the federal government (b) the provincial government (c) the Town of Meadow Lake, Saskatchewan, toward the 16 public housing units presently being constructed in the Town of Meadow Lake?

2. What amount was paid for the land?

Hon. Robert K. Andras (Minister without Portfolio): 1. The cost of the 16 public housing units in the Town of Meadow Lake, Saskatchewan is being shared among the three levels of government as follows: Federal Government, $172,200; Provincial Government, $45,920; Municipal Government, $11,480; Total: $229,600.

2. The estimated cost of the serviced land for these units is $11,000, and is included in the figures given above.

SASKATOON, SASK.—COST OF DWELLING UNITS FOR LOW-INCOME FAMILIES

Question No. 408—**Mr. Gleave:**

1. How much money is being contributed by each (a) the federal government (b) the provincial government (c) the City of Saskatoon, Saskatchewan, toward the 50 dwelling units for low-income families in Saskatoon?

2. What amount was paid for the land involved?

Hon. Robert K. Andras (Minister without Portfolio): 1. The cost of the 50 dwelling units for low-income families in Saskatoon, Saskatchewan is being shared among the three levels of government as follows: Federal Government, $395,325; Provincial Government, $105,420; Municipal Government, $26,355; Total: $527,100.

2. The above funds are being used to acquire existing dwellings; it is not therefore possible at this time to determine the actual land cost.

LABELLING OF BABY FOODS

Question No. 409—**Mrs. MacInnis:**

Does the Canadian Food and Drug Directorate intend to adopt federal standards for infant feeding formulas and to require the labelling of all contents in baby foods similar to those recently set by the U.S. Food and Drug Administration?

Hon. John C. Munro (Minister of National Health and Welfare): The Food and Drug Directorate presently is developing regulations for infant feeding formulae which will specify the amounts of essential nutrients required to be present. A list of ingredients will be mandatory on the label of these products.

ICEBREAKING UPPER LAKES

Question No. 412—**Mr. Noble:**

Is it the intentoin of the government to winter the icebreaker *Alexander Henry* in Owen Sound or Collingwood to take advantage of the fact that navigation can be opened up in Georgian Bay and Lake Huron eight to ten days before Lake Superior?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): No. The program this winter is for the Alexander Henry to winter in Thunder Bay and a second small icebreaker to winter in Georgian Bay.

Questions

LIVERPOOL, N.S.—UNEMPLOYMENT INSURANCE AGENT

Question No. 452—**Mr. Crouse:**

1. What was the name of the Unemployment Insurance agent in Liverpool, Nova Scotia?

2. What was the amount of remuneration paid to him during 1970?

3. On what date did he resign?

4. On what date does the government plan to reappoint another agent in Liverpool?

[*Translation*]

Hon. Bryce Mackasey (Minister of Labour): 1. Presently, there is no agent of unemployment insurance in Liverpool (N.S.). The last agent employed by the UIC in that locality was Mr. Lester L. Clements.

2. Nil.

3. Mr. Clements resigned on November 6, 1969.

4. At the present time, the Commission does not plan to reappoint another agent in Liverpool (N.S.). The Area Office of the Commission in Halifax provides services to the workers of that locality.

[*English*]

GENERAL MOTORS—WHEEL DEFECT 1960-65 TRUCKS

Question No. 457—**Mr. Mather:**

Did General Motors Corporation of Canada notify the government that the wheel structure of its three-quarter ton pickup truck manufactured between 1960 and 1965 is "subject to sudden and catastrophic failure" and (a) if so, what action has been taken (b) if not, is the government aware of the situation in the United States, where the U.S. Government is suing General Motors for refusing to notify purchasers of the above-mentioned defect?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): General Motors Corporation of Canada has not notified the Government of a wheel defect on pickup trucks manufactured during the period 1960 to 1965. The Ministry of Transport is aware of this situation in the United States. The dispute involves vehicles manufactured prior to enactment of the 1966 United States Motor Vehicle Safety Act and, as this litigation involves a complex principle of law, the case could remain in the Courts for some considerable period of time. The Canadian Motor Vehicle Safety Act has not as yet been proclaimed. The proposed date for enforcement is January 1, 1971. The Canadian Act is not retroactive with respect to either safety standards or defect notification.

*CBC—SUSPENSION OF EMPLOYEES IN QUEBEC

Question No. 469—**Mr. McCleave:**

How many employees of the Canadian Broadcasting Corporation (a) have been suspended (b) have been fired, from their jobs because of events arising from the state of apprehended insurrection in Quebec?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I am informed by the CBC that two employees of the Corporation, one in the Ottawa-Hull area and one in Montreal, were apprehended under the provisions of the War Measures Act, detained in custody for 13 days and 10 days respectively, released without any charges having been laid against them and, on release, returned to their employment with the Corporation.

[*English*]

PUBLIC SERVICE COMMISSION OFFICES

Question No. 483—**Mr. Schumacher:**

1. How many regional offices are maintained by the Public Service Commission across Canada?

2. Where is each office located?

3. During the period August 1, 1969-July 31, 1970, how many people were released from each office and for what reason?

4. What was the mother tongue in each case?

5. How many, in each case, were (a) bilingual (b) unilingual?

6. During the same period, how many people were hired by each office?

7. What was the mother tongue in each case?

8. How many, in each case, were (a) bilingual (b) unilingual?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Public Service Commission as follows:
1. Seven.

2. Halifax, Montreal, Ottawa, Toronto, Winnipeg, Edmonton and Vancouver.

3. None.

4. Not applicable.

5. Not applicable.

6, 7 and 8:

Office	Number hired	Mother tongue	Bi-lingual	Uni-lingual
Halifax	1	English	—	1
Montreal	8	French	8	—
Ottawa	3	French	3	—
Toronto	5	English	1	4
Winnipeg	4	English	—	4
Edmonton	2	English	—	2
Vancouver	2	English	—	2

[*English*]

INVESTIGATION INTO PROBLEMS CREATED BY VISITORS AND NON-IMMIGRANTS SEEKING PERMANENT RESIDENCE IN CANADA

Question No. 504—**Mr. Rodrigue:**

1. Does the government intend to follow up on the report of an investigation made by Mr. Joseph Sedgwick Q.C. on the problems created by visitors and non-immigrants who ask for permanent residence in Canada?

2. When will the bills correcting this situation be introduced?

3. How many people worked on the investigation?

4. What was the amount paid in salaries for this investigation?

5. What were the other expenses incurred?

[*Translation*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): 1. Yes.

2. As soon as possible. There will probably be a need to amend the legislation.

3. Mr. Sedgwick consulted with departmental officials and other interested parties in the course of his investigations, but the department is not aware of any persons who may have been employed by Mr. Sedgwick in connection with the preparation of his report.

4. Mr. Sedgwick's fee was $12,000.

5. Incidental expenses for hotel accommodation, transportation, meals, etc. amounted to $563.21.

[*English*]

CBC PERSONNEL

Question No. 509—**Mr. Mather:**

1. In the years 1967-1968, 1968-1969, 1969-1970, what was the number of CBC employees including production, administration, clerical, special services and/or commission employees?

2. In each year, what was the cost of salaries, wages, fees, commissions or other employee indemnities of such employees?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: For the year ended March 31, 1968, 9,042 employees; $83.4 million; 1969, 9,147 employees; $89.8 million; 1970, 8,951 employees; $98.4 million.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

COMPANY OF YOUNG CANADIANS—STAFF MEMBERS

Question No. 56—**Mr. Orlikow:**

Who are the staff members of the Company of Young Canadians and, in each case, what is their annual salary?

Return tabled.

Mr. Speaker: Oral questions.

Mr. Howard (Skeena): Mr. Speaker, I wish to rise with regard to written questions, if I may.

Mr. Speaker: Order, please. Is the hon. member for Skeena rising on a question of privilege?

Mr. Howard (Skeena): That is as convenient a way as any to get the floor, Mr. Speaker. I wish to inquire about starred question No. 40 standing in my name which simply asks about the results of the inquiry undertaken by the Minister of National Health and Welfare into the leakage with regard to the interim report of the Le Dain Commission. This question has been on the order paper since October 8, and I should like to know what progress is being made toward making a reply?

Mr. Munro: Mr. Speaker, I would advise the hon. member that I have noted his remarks and will try to get an answer very shortly.

Inquiries of the Ministry

ORAL QUESTION PERIOD

FINANCE

PRIME INTEREST RATE—ACTION TO BRING ABOUT REDUCTION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. In view of the announcement on Friday by the chartered banks that during the past 12 months their profits have increased by a further 12 per cent over and above the three previous record-breaking years, has the government given consideration in the intervening three days to advising the chartered banks that they can well afford to reduce the prime rate to 7 per cent and that it is in the national interest that they do so because this is by far the most effective means available to us for stimulating the economy and thereby counteracting rising unemployment?

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, to my memory the hon. member has asked this question at least six times in the past three months and each time he received the answer that the banks were effectively lowering their rates. There is nothing new to add today. I do not expect that he would imagine the government would act against the banks just because they were making profits.

Mr. Hees: The government has said that it is looking for ways to stimulate the economy. I have suggested a way in which that can be done very easily and I have asked the Prime Minister whether the government has considered this suggestion.

Mr. Speaker: Order, please. I believe the hon. member has a supplementary question.

Mr. Hees: Yes, Mr. Speaker. As the Prime Minister has made it very clear that the government has no intention of following this suggestion, I would ask him if he would take the House into his confidence and tell us how it is that the chartered banks have the Minister of Finance and himself so completely in the palm of their hands—

Mr. Speaker: Order, please. I doubt whether that question is in order. I am sure it is not and I do not think the Chair should allow a reply to be made to it.

* * *

LABOUR CONDITIONS

SINGLE UNEMPLOYED TRANSIENTS—EDUCATIONAL UPGRADING PROGRAM—PAYMENT OF WELFARE COST

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I want to direct a question to the right hon. Prime Minister regarding a group which is unfortunately growing in number. I refer to the single unemployed transients, many of whom at the present time have used up their

unemployment insurance benefits and are not eligible for welfare assistance because they cannot establish domicile in any one place. The result is that many of them are being pushed from town to town and represent a very serious problem. I want to ask the Prime Minister whether the government is giving any thought to some effective measures for assisting these single unemployed transients?

Right Hon. P. E. Trudeau (Prime Minister): As I had occasion to tell the House at least twice last week, the government is hoping to help all sections of the population who are unemployed. I understand that it is not within the power of the government to correct the problem in the particular case to which the hon. member referred. I know of many instances where companies in many parts of Canada have complained that the transients themselves depart very soon after their arrival, not because their jobs have been withdrawn but because they themselves decide to move on.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that many of them are young men who have not yet been able to establish themselves in the labour force, and in view of the fact that last summer the Secretary of State provided hostels for some of this group, is the government giving any consideration to establishing hostels where crash programs could be set up to help them upgrade their education or acquire some of the skills that are necessary to enable them to secure employment later?

Mr. Trudeau: It seems to me that the Minister of Manpower and Immigration dealt with this precise question last week, but let me repeat that I know of many cases where young, single transients do not wish to work very long in isolated communities and it is they who of their own free will give up the job when the company would very much welcome their continuance in employment.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Since many of the municipalities and provincial governments—not all but certainly some of them—have been refusing to grant welfare to these people and insist on them moving on after giving them one night's lodging and a meal ticket, would the federal government consult with the provincial governments and undertake that if these people are supplied with welfare the federal government will assume the entire cost for looking after single unemployed persons whose care cannot be charged to a particular municipality?

Mr. Trudeau: As the House knows, Mr. Speaker, the government shares in 50 per cent of these costs now. If the government were ever to contemplate paying the total cost, of course the whole problem of provincial jurisdiction over welfare cases would have to be examined and the jurisdiction possibly shifted. I know of no province that is prepared to suggest that kind of change in the constitution.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

NUMBER OF EMPLOYED AND UNEMPLOYED UNITED STATES DRAFT DODGERS AND DESERTERS IN CANADA

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. Has any study been made as to the number of draft dodgers and deserters from the American forces who are in Canada, how many are employed, and how many are unemployed at the present time?

Right Hon. P. E. Trudeau (Prime Minister): I know of no such study, Mr. Speaker. I do not believe it is the policy of the government to keep track of people who enter this country legally and to see whether they are employed or otherwise.

Mr. McIntosh: Can the Prime Minister inform the House how many of these people are on welfare at the present time in Canada?

Mr. Trudeau: Mr. Speaker, I suppose this information is available at the municipal or provincial level. As the hon. member knows, these welfare schemes are administered by the provinces. I am told it is possible that we might have some figures and if there are figures available I will ask the minister to report to the House.

INCREASED UNEMPLOYMENT AMONG YOUNG PEOPLE—DISCUSSION WITH PROVINCES OF SHARING OF COST OF ASSISTANCE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. In view of the fact that reports in the last couple of weeks show that in every city in Canada the number of young people who cannot get jobs has risen to unprecedented heights, would the federal government discuss with the provinces the possibility, where these people do not qualify for assistance, of sharing the cost of assisting them so that they can be helped during the winter months?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did not catch the thrust of the question. I believe it related to discussions with the provinces, but I did not quite seize the question.

Mr. Orlikow: Mr. Speaker, may I rephrase the question. In view of the fact that many young people do not qualify for assistance because they have not lived in a city or province for the required time, normally a year, would the federal government consider as an emergency measure discussing with the provinces the sharing of the cost of assistance for these young people during the winter months which will be extremely difficult for them?

Mr. Trudeau: Mr. Speaker, I am informed that most provinces are in effect giving assistance to such people and that therefore this is the rule rather than the exception.

REGIONAL ECONOMIC EXPANSION

FEDERAL COMMITMENT RESPECTING CONSTRUCTION OF SUPERPORT AT LORNEVILLE, N.B.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I wish to direct a question to the Minister of Regional Economic Expansion. Has any federal commitment been given, either unqualified or conditional, to the superport known as Lorneville in New Brunswick, as reported by the president of the New Brunswick Development Corporation yesterday?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I will inquire about that and will be glad to report to the House.

Mr. Nowlan: When the minister inquires, in view of the statement of the president of the New Brunswick Development Corporation that such an announcement will be made in January will he make sure before any commitment is made that he and his officials have access to the most recent report on a superport for the Atlantic area, prepared by Jones, Bardelmieir, and Clements and I believe almost ready for release, which suggests that the superport for the Atlantic region should be in the Canso Strait area?

Mr. Marchand (Langelier): Mr. Speaker, I will inquire first if any commitment was made.

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NATURAL RESOURCES

NEGOTIATIONS WITH NOVA SCOTIA RESPECTING OFFSHORE MINERAL RIGHTS

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I wish to direct a question to the Prime Minister. Is it government policy "to keep its cotton-picking hands off the Atlantic offshore mineral resources", as warned by the new Premier of Nova Scotia?

Mr. Speaker: Order. The hon. member knows that his question cannot be asked in those terms. Perhaps he could find a more acceptable way procedurally in which to ask it.

Mr. Comeau: Mr. Speaker, in view of the statement made on Saturday by the Premier of Nova Scotia, has the Prime Minister been requested to renegotiate or are there direct negotiations going on at the present time with respect to offshore mineral resources?

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, the Minister of Energy, Mines and Resources has made very concrete proposals to all the provinces, including Nova Scotia, and in most cases we are still awaiting their responses to our proposals. I believe the Atlantic provinces have had consultation among themselves as to the type of response they want to give to the federal government. Perhaps the Premier of Nova Scotia, whom we are happy to see in that job, will be able to do a bit of homework and make sure it is not our intention to put our hands on anything that does not belong to us.

Inquiries of the Ministry

Mr. Donald MacInnis (Cape Breton-East Richmond): I have a supplementary question, Mr. Speaker, based on the statement just made by the Prime Minister. Although he stated that the government did not want to put its hands on anything that did not belong to them, will he now take under consideration Bill C-135 on which I have presented a petition to the House? From that he should realize that the government has already disclaimed ownership of offshore mineral rights in Nova Scotia.

Mr. Trudeau: Mr. Speaker, I shall have to take notice of that question. I do not know if it refers to the heavy water plant and I do not know if the Premier of Nova Scotia wants us to keep our hands off that as well.

Mr. MacInnis: Mr. Speaker, I can enlighten the Prime Minister since he was Minister of Justice when this bill was placed before the House. I am talking about mineral rights—

Mr. Speaker: Order, please.

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REGIONAL ECONOMIC EXPANSION

GRANT TO PROCTOR AND GAMBLE FOR CONSTRUCTION OF PULP MILL IN ALBERTA—CONSIDERATION OF CANADIAN COMPANY OR CROWN CORPORATION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. In view of the minister's recent announcement that Procter and Gamble are to receive an incentive of some $11,790,000 to construct a pulp mill in Alberta, can the minister indicate whether this is a foreign-controlled corporation? If so, was consideration given to providing the incentive to a Canadian company or Crown corporation?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, we certainly considered the possibility of an incentive to a Canadian company, which unfortunately was not ready to start operations at this time.

[*English*]

PARTICIPATION OF FEDERAL GOVERNMENT IN CONTROL OF PROPOSED ALBERTA PULP MILL

Mr. John Burton (Regina East): I have a supplementary question for the Minister of Regional Economic Expansion, Mr. Speaker. In view of the large investment by the federal government in the proposed pulp mill in Alberta, is it the intention of the government, either directly or through one of its Crown agencies, to hold any equity capital in this operation, or is there going to be any safeguard of the federal interest through having some members on the board of directors—

Mr. Speaker: Order, please. I would think the hon. member's supplementary might be placed on the order paper.

Inquiries of the Ministry

DRUGS

PROPOSED INTERNATIONAL PROTOCOL—EFFECT OF CANADIAN COMMITMENTS ON LE DAIN COMMISSION REPORT

Mr. P. B. Rynard (Simcoe North): My question is addressed to the Minister of National Health and Welfare. Now that the minister is back in the House after meeting his provincial colleagues, does he intend to make a statement concerning the commitments the government could enter into in regard to the Geneva protocol on psychotropic drugs and the effect of these commitments on the recommendations of the Le Dain Commission?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I do not think a long statement is necessary. I can assure the hon. member that I do not believe it is the intention of the government to make any commitments of a binding nature until it receives the final report of the Le Dain Commission.

Mr. Don Mazankowski (Vegreville): Is the minister now in a position to advise the House on the nature of the answer relayed to the directors of the provincial anti-addiction programs who have urged the government not to proceed to enter into any international drug agreement prior to the completion of the Le Dain report.

Mr. Munro: Mr. Speaker, I would hope my previous answer would answer the hon. member also.

Mr. Rynard: Mr. Speaker, I should like to ask the minister whether he can assure the House that no commitments will be made at Geneva until he comes back to the House and such agreements are fully ratified by Parliament?

Mr. Munro: Mr. Speaker, I would hope that my previous answer would give the House and the hon. member that assurance.

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PENITENTIARIES

TRANSFER OF CERTAIN INMATES FROM PRINCE ALBERT AND STONY MOUNTAIN TO BRITISH COLUMBIA

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Justice who I believe is Acting Solicitor General. I should like to know whether 20 or 25 or approximately that number of inmates of the Saskatchewan penitentiary have been moved to the penitentiary in British Columbia, plus a number of those who have been labelled as malcontents and the like from Stony Mountain penitentiary in Manitoba?

Hon. John N. Turner (Acting Solicitor General): Mr. Speaker, I shall take the question as notice.

[Mr. Speaker.]

PRINCE ALBERT—INVESTIGATION OF CONDITIONS BY STANDING COMMITTEE

Mr. John Burton (Regina East): Mr. Speaker, I should like to address my question to the President of the Privy Council. Has the minister taken under consideration the request made in the House last week that the Justice and Legal Affairs Committee arrange to visit Prince Albert penitentiary, and is the minister in a position to report now?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I have had conversations with the Solicitor General with respect to a reference to the committee. I am not exactly certain what the effect of the reference will be, but it certainly will be in accordance with the general wish to continue the examination commenced last session.

Mr. Burton: Can the minister give any indication of the timing of any such visit to the Prince Albert penitentiary?

Mr. MacEachen: No, Mr. Speaker. I cannot anticipate what the terms of reference will be. When the terms are placed on the order paper, we shall be in a better position to say.

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REGIONAL ECONOMIC EXPANSION

CLOSING OF RIVERS AIR BASE—MEETING OF MINISTER WITH LOCAL OFFICIALS

Mr. Craig Stewart (Marquette): Mr. Speaker, may I direct a question to the Minister of Regional Economic Expansion. On October 20 the minister was to meet with the officials of Rivers Air Base and Brandon. However, the trip was postponed due to the Quebec crisis. Because of the uncertain economic situation in western Manitoba, can the minister advise the House when he will visit Manitoba and when these meetings will take place?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, we intend to visit both bases as soon as the policy applicable to those who will be discharged has been fully developed.

[*English*]

Hon. W. G. Dinsdale (Brandon-Souris): A supplementary question, Mr. Speaker. Following the recent representations to the minister by a representative group from the province of Manitoba, led by the Premier of that province, with respect to widening the designated area, will the minister, when he visits the Rivers and Brandon communities, be making an announcement based on those representations?

Mr. Speaker: Order, please. The hon. member for Yukon.

NATIONAL SECURITY

ESTABLISHMENT OF REVIEW BOARD

Mr. Erik Nielsen (Yukon): Mr. Speaker, my question is for the Prime Minister. I would refer him to the remarks which he made in the House on January 26, 1969, when he tabled the report of the Royal Commission on Security. Has the Security Review Board recommended by the commission, and discussed by the Prime Minister at pages 10637 and 10638 of *Hansard* yet been established? If it is functioning, how long has it been functioning?

Right Hon. P. E. Trudeau (Prime Minister): The answer is no, Mr. Speaker. The policy of the government has been decided but the implementation is still suspended. I hope to acquaint the House with the action we are taking in the not too distant future.

Mr. Nielsen: Has any review procedure at all been established? If so, what is that procedure?

Mr. Trudeau: Mr. Speaker, the review procedure which existed before is continuing to operate. As the hon. member knows, a new procedure was recommended in the royal commission report. It is this new procedure on which the government has taken a policy decision which has not yet been implemented.

Mr. Nielsen: On page 10638 of *Hansard,* the Prime Minister indicated that it was the intention of the government to bring about a parliamentary debate on the report of the commission. Can the Prime Minister indicate now when that debate will be held?

Mr. Trudeau: I am afraid I cannot, Mr. Speaker. I will take it up with the House Leader. Perhaps the occasion would be when the government announces its policy on the review board. Perhaps at that time the House may want to debate the matter. I thank the hon. member for reminding me of this commitment. I will discuss it with the House Leader.

TRAINING ABROAD OF MEMBERS OF TERRORIST ORGANIZATIONS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Justice in his capacity as Acting Solicitor General. Is the minister now in a position to tell the House if any members of the FLQ or related terrorist organizations have received training in terrorist activities abroad. If so, in what countries?

Hon. John N. Turner (Minister of Justice): No, Mr. Speaker, I am not.

Mr. Nesbitt: Could the minister undertake to give this information to the House before the end of the week? Perhaps he could discuss the matter with his colleague, the Minister of Regional Economic Expansion.

Mr. Speaker: Order, please. The hon. member for Vancouver-Kingsway.

Inquiries of the Ministry

CONSUMER AFFAIRS

APPOINTMENT TO COUNCIL OF REPRESENTATIVES OF THOSE ON LOW INCOMES

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, may I direct a question to the Minister of Consumer and Corporate Affairs. In making his new appointments to the Canadian Consumer Council, does the minister intend to appoint a representative or representatives from groups of consumers on low incomes?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, there are members on the council who purport to speak for these people now.

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TRADE

SEMINAR ON DEVELOPMENT OF MARKETS IN NEW ENGLAND STATES FOR ATLANTIC PROVINCES' PRODUCTS

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Is the minister having officials of his department meet with officials of the Department of Industry, Trade and Commerce regarding a possible seminar of businessmen and trade consultants on the increased development of markets for the industries of the Atlantic provinces in the New England states?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): No, Mr. Speaker. I shall inquire if meetings are being held and I shall inform the hon. member.

* * *

[*English*]

LABOUR CONDITIONS

POSITION OF FORMER EMPLOYEES OF AUTOMOBILE PARTS SUPPLIERS

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my question is directed to the Minister of Labour and is further to the question directed to him late in the question period on Wednesday, December 9, last. What provisions, if any, are being made for the former employees of auto parts suppliers through the auto parts agreement or otherwise?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, first of all I must apologize to the hon. member for not being as expansive as I ought to have been at the time. I misunderstood the question. If lay-offs in the auto industry are directly connected with the auto pact, those employees temporarily out of work during the transitional period are entitled to transitional assistance benefits to supplement unemployment insurance according to the specific formula which assures them of an income of approximately 65 per cent of their normal income.

Inquiries of the Ministry

Mr. Ryan: Is the government concerned in any direct way with these former employees, particularly in view of the fact that the closing of these supply plants seems likely to continue and as the government had something to do with the proliferation of these plants in the first place?

Mr. Mackasey: Mr. Speaker, the particular provision to which I alluded will be in existence until December, 1972. A particular board is responsible for evaluating these lay-offs. If they consider that these lay-offs are a direct result of the auto pact, the transitional assistance benefits come into effect.

Mr. W. B. Nesbitt (Oxford): Will the minister consider discussing with his colleague, the Minister of Finance, the lay-offs in the automobile parts industries and attempt to persuade his colleague to peg the Canadian dollar which might prevent further closings?

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

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LABOUR RELATIONS

GENERAL MOTORS STRIKE—ACTION TO EXPEDITE SETTLEMENT

Hon. George Hees (Prince Edward-Hastings): Has the Minister of Labour been in touch with the Minister of Labour of Ontario to see whether the federal government can offer and make available services which might be of assistance in solving the General Motors strike?

Mr. Speaker: Order please. The hon. member is repeating a question which was asked on Friday.

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HUMAN RIGHTS

POLICE SURVEILLANCE OF UNIVERSITY CAMPUSES

Mr. R. Gordon L. Fairweather (Fundy-Royal): I have a question for the Prime Minister. Will the right hon. gentleman reaffirm the policy of the Pearson government so that in the interests of freedom of thought, expression and teaching there will be no police surveillance of university campuses?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I can confirm the policy of the government that there will be no more surveillance of campuses than of any other segment of Canadian society.

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CANADIAN BROADCASTING CORPORATION

OBJECTIVITY OF INTERVIEWS OF PRIME MINISTER

Mr. Mark Rose (Fraser Valley West): My question is for the Secretary of State. In view of the fact that the Senate mass media report indicates that approximately 70 per cent of television viewers are willing to overlook distorted reporting, is it the government's intention to advise the president of the CBC that some people are very concerned about the fact that almost every time the Prime Minister is interviewed by CBC personnel a distortion caused by blatant, differential fawning occurs?

Mr. Speaker: Order, please. I am sure the hon. member will appreciate that the question is not acceptable in those terms.

Mr. Rose: May I rephrase the question?

Mr. Trudeau: Try rephrasing your thinking.

Mr. Speaker: Perhaps the hon. member might like to try a different question.

Mr. Rose: What is the Secretary of State prepared to do to increase more objective reporting on CBC television?

Mr. Speaker: The hon. member's question contains an allegation and in that sense it is not in order.

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CANADIAN NATIONAL RAILWAYS

INCLUSION OF HOTEL EMPLOYEES UNDER MINIMUM WAGE LEGISLATION

Mr. James A. McGrath (St. John's East): I have a question for the Minister of Labour. Can the minister report to the House any progress in his efforts to have the employees of Canadian National hotels brought under the minimum wage legislation passed by this Parliament?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, henceforth that particular question would be best directed to the Minister of Justice as the Department of Labour has asked the Department of Justice to pursue the line I have already recommended on several occasions in the House.

Mr. McGrath: I redirect my question to the Minister of Justice. Is the minister prepared to support the Minister of Labour in this very just and worthy cause in order to expedite a decision on this matter?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, Canadian National Railways has sought an order in the nature of certiorari before the Supreme Court of Alberta against the Canada Labour Relations Board and the Canadian Brotherhood of Railway, Transport and General Workers. These proceedings will raise constitutional questions respecting the application of federal labour legislation generally to the hotel operations of the railway company. Until this question having constitutional import is decided by the Supreme Court of Alberta, there is no justification for any further legal action against the company in that regard either by way of prosecution or otherwise.

Mr. McGrath: Can the Minister of Justice assure the House that the federal government will be represented at this hearing because of the special interest of Parliament with regard to this matter?

Mr. Turner (Ottawa-Carleton): Yes, Mr. Speaker.

PENITENTIARIES

PRINCE ALBERT—INQUIRY AS TO TRANSFER OF WARDEN

Mr. Rod Thomson (Battleford-Kindersley): I have a question for the Acting Solicitor General. In view of the problems at the Prince Albert penitentiary, is the minister considering the transfer of the warden of that penitentiary?

Hon. John N. Turner (Acting Solicitor General): Not that I know of, Mr. Speaker.

TRANSFER OF FEMALE INMATES FROM MATSQUI TO KINGSTON

Mr. Mark Rose (Fraser Valley West): I have a supplementary question for the Acting Solicitor General with regard to the closing of the Matsqui correctional unit in British Columbia. Has the minister or the government had an opportunity to reconsider this proposal in view of the fact it will result in the loss of 65 correctional staff jobs in British Columbia?

Hon. John N. Turner (Minister of Justice): I will look into the matter, Mr. Speaker.

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NATIONAL SECURITY

EXPLOSIVES AND ARMS SEIZED FROM FLQ

Mr. Lloyd R. Crouse (South Shore): I wish to direct a question to the Minister of Justice. Can the minister say whether there have been any further seizures of explosives and arms from FLQ arsenals? If so, will he indicate the extent of such seizures and the amount of the remaining explosives and arms available to the FLQ?

Hon. John N. Turner (Minister of Justice): Even if that question could be answered with any precision, Mr. Speaker, I do not have with me further specific figures since the last time I addressed the House on the subject.

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COMBINES

ALLEGED MONOPOLY IN ALBERTA BROILER INDUSTRY

Mr. Don Mazankowski (Vegreville): I wish to direct a question to the Minister of Consumer and Corporate Affairs. On November 12 I asked the minister a question with regard to an alleged monopoly in the Alberta broiler industry by the Alberta Poultry Marketers Co-operative. Is the minister now in a position to indicate what progress has been made with respect to the investigation being conducted by his officials, particularly with regard to possible breaches of the Combines Investigation Act?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): As I indicated, Mr. Speaker, the report was referred to the proper officials of the Combines Investigation Branch. Under the Act, progress of an investigation is not reported except in the annual report of the director or in the event charges are laid involving an infraction of the Combines Investigation Act.

Inquiries of the Ministry

Mr. Mazankowski: After the investigation is completed, will the minister be making a report to the House in view of the fact the matter was raised in the House?

Mr. Basford: Mr. Speaker, completed investigations are reported in the annual report of the Director of Investigation and Research under the Combines Investigation Act.

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[*Translation*]

EXTERNAL AFFAIRS

ASSISTANCE OF FRANCE IN TEACHING OF FRENCH IN MANITOBA

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I should like to put a question to the Secretary of State.

A delegation from Manitoba went to France recently to assess the possibilities of getting some assistance for the teaching of French in that province. Could the Secretary of State tell us if these negotiations have been approved and conducted according to federal government requirements?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I think the Secretary of State for External Affairs can answer this question and not the Secretary of State.

Mr. Ricard: Then, Mr. Speaker, I should like to put my question to the Secretary of State for External Affairs, and I shall repeat it in English.

[*English*]

A short time ago a delegation from the province of Manitoba visited France in order to study the possibility of obtaining assistance in the teaching of French in the province of Manitoba. Can the minister state whether the conducting of these negotiations has been approved by the federal government?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I do not think it is a question of approval, Mr. Speaker. As far as I know, any representations were made in accordance with the Canadian constitution and did not raise any constitutional issues.

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WELFARE

DISCUSSIONS WITH PROVINCES ON ASSISTANCE FOR SINGLE UNEMPLOYED PERSONS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I wish to direct a question to the Minister of National Health and Welfare. In view of the fact that reports continue to come in that single unemployed persons are being denied welfare in some provinces because the municipalities are naturally reluctant to assume responsibility for those who are not residents, will the minister undertake to conduct discussions with the provincial governments to see if some arrangement can be worked out so that such single unemployed persons who do not have domicile in a particular community can be taken care of rather than being pushed from pillar to post?

Inquiries of the Ministry

Mr. Speaker: It seems to me this question was asked earlier, but possibly it was not answered and the minister might wish to reply.

Hon. John C. Munro (Minister of National Health and Welfare): I have read some of the reports to which I believe the leader of the New Democratic Party has referred. After meeting many of the provincial welfare ministers a few weeks ago, I can say that this is not a prevalent practice throughout Canada, though it may be happening here and there. To the degree that it is, I shall be pleased to talk the matter over with the welfare ministers whom I shall be meeting shortly.

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HEALTH

INCLUSION OF PARAMEDICAL SERVICES UNDER MEDICARE

Mr. Doug Rowland (Selkirk): My question is directed to the Minister of National Health and Welfare. May I ask whether at his conference last week the question of including certain paramedical services in the national medicare plan was discussed and, if so, whether any progress was made toward a consensus on this matter?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker, it was discussed, and it was decided we should examine this question of the extension of coverage together with the financial implications of the present sharing arrangements and of health insurance programs generally.

Mr. Rowland: Is the minister in a position to tell us when we might expect a more specific announcement?

Mr. Munro: Well, we agreed to look into this whole matter with the provinces over the course of the next few months, and until we are in a position to reach a more definite conclusion I would have nothing more helpful to advise the House.

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IMMIGRATION

IMPROVEMENT OF APPEAL BOARD STRUCTURE TO DEAL WITH BACKLOG OF CASES

Mr. Erik Nielsen (Yukon): I wish to direct a question to the Acting Minister of Manpower and Immigration. Is the government taking any steps to improve the Immigration Appeal Board structure and procedure having regard to the 14-month backlog of appeals waiting to be heard?

Mr. Speaker: I am sure this question was asked some days ago. It may be, however, that there have been developments since then which would make it more relevant today, so in these terms and to this extent the question would be in order.

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): I will take this question as notice and I will refer it to the Minister of Manpower and Immigration.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

[*English*]

NATIONAL LIBRARY

INQUIRY AS TO APPOINTMENT OF ADVISORY COUNCIL

Hon. W. G. Dinsdale (Brandon-Souris): I have a question for the Secretary of State, Mr. Speaker. Can the Secretary of State inform the House when he will be appointing the national advisory council which was provided for under the terms of the National Library Act approved by Parliament over a year ago?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I will take the hon. member's question as notice and I will look into it to see where we stand.

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CANADIAN BROADCASTING CORPORATION

ESCALATION OF PENSIONS OF RETIRED EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have another question for the Secretary of State.

Can the minister answer now my question of November 26 regarding the retired employees of the Canadian Broadcasting Corporation.

Hon. Gérard Pelletier (Secretary of State): Yes, Mr. Speaker. The CBC intends to give its retired employees the same benefits as those granted to Public Service employees but the implementation of this policy is subject to an agreement with the representatives of the employees and to considerations proper to the administration of a Crown Corporation pension fund.

Mr. Knowles (Winnipeg North Centre): I extend my thanks to the minister, Mr. Speaker.

[*English*]

GOVERNMENT ORDERS

REGIONAL DEVELOPMENT INCENTIVES ACT

PROVISION OF SPECIAL DEVELOPMENT INCENTIVE, LOAN GUARANTEE, ETC.

The House resumed from Friday, December 11, consideration of the motion of Mr. Marchand (Langelier) that Bill C-205, to amend the Regional Development Incentives Act, be read the second time and referred to the Standing Committee on Regional Development.

Mr. Speaker: The hon. member for Peace River on a point of order.

Mr. Baldwin: A brief point of order, Your Honour more for the sake of clarification than for obtaining some order from the House. *Votes and Proceedings* of Friday, December 11, includes an order of the day under the notices of committee meetings which indicates that this bill, Bill C-205, is to be considered by the Standing Committee at 3.30 this afternoon. While I understand there was some discussion on this question, and it was

hoped the bill might have been dealt with, the committee is obviously not seized with jurisdiction so no such order can be made.

There is every hope, though, that with the spirit of goodwill which has finally made its way over to the other side of the House, we might get rid of this bill so that the committee would have jurisdiction. Perhaps either now, or before we leave the subject, the House will permit an order to be made enabling the committee to deal with the bill this afternoon.

Mr. MacEachen: I believe the suggestion made by the Opposition House leader is a good one, and perhaps it could be agreed that when the order is passed the standing committee can consider the bill as soon as it can conveniently arrange its affairs.

Mr. Knowles (Winnipeg North Centre): This is agreed, Mr. Speaker.

Mr. Speaker: Is it so agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I wish to continue the remarks I was making on Friday in this debate on Bill C-205 which seeks to offer assistance to industry and provide for further loans similar to those applying to fishermen, farmers and small businessmen, in addition to extending the designated areas so as to include Montreal and southeastern Ontario.

About a year and a half ago, when the Department of Regional Economic Expansion was created, I recall having serious reservations on the subject of the powers accorded by the act to the Minister of Regional Economic Expansion (Mr. Marchand), powers which I believe to be excessive. I felt that once a minister had been given such powers he was in a position to convert them into a type of dictatorial exercise; moreover, they might be used for the purpose of extensive political advantage. Nevertheless, I put these misgivings aside, feeling that since we have a cabinet made up of some 30 ministers and a Liberal caucus of some 130 members, any activity of this kind would be curtailed. Perhaps I was wrong. Perhaps I have been naïve.

I have always been aware that a cabinet is in itself a form of dictatorship, since there are 20 or 30 men who make all the important decisions. I have always felt that government is best when there is such a divergence of opinion that no one minister can take advantage of a situation. Looking at the present bill, I have to say that every member from the Atlantic provinces, every member from areas in western Canada where there is regional disparity, takes exception to the proposals contained in it. I am surprised that the ministers from Newfoundland, from Nova Scotia and from Prince Edward Island, together with the ministers from western provinces, have not prevented Bill C-205 from coming before the House. When members like the hon. member for South Western Nova (Mr. Comeau) and the hon. member for St. John's East (Mr. McGrath), as well as the entire opposition, raise an issue in respect of the principle of Bill C-205, perhaps they are like voices in the wilderness because it is possibly a fait accompli.

• (2:50 p.m.)

I have an article by Gordon Aalborg, which appeared in the Edmonton *Journal*, in which he refers to a quotation from an official of the Department of Regional Economic Expansion, Mr. Michael Fitzgerald to the effect that incentives boundaries are extremely flexible. He indicates that it is at the discretion of the department to decide which areas should become designated and which areas should receive special incentives. He indicates also that this act gives little direction to the minister and that most of the decisions are made at his discretion, justified only by the unemployment situation. For example, when the minister designates the Montreal area or parts of southeastern Ontario, he can refer to the fact that at the present moment in Quebec unemployment stands at 7.2 per cent, up from 6.3 per cent in November of 1969. He can also cite, in respect of specific parts of southeastern Ontario, which has a very heavy unemployment rate—

Mr. Speaker: Order, please. I wonder whether hon. members would mind if I drew to their attention the fact that there are many conversations going on in all areas of the House, and that is unfair to the hon. member who has the floor. It is certainly difficult for the Chair to follow the hon. member. If these conversations have to be carried on in the House, perhaps they could be done sotto voce. I think it might be appropriate to carry on the conversations behind the curtains.

Mr. Lundrigan: Thank you, Mr. Speaker, I am mainly interested in the Minister of Regional Economic Expansion hearing my presentation and I think he is listening. Perhaps other hon. members have made up their minds or have not even read the bill and are not aware of its consequences. The minister is aware of the unemployment situation in Quebec. I wonder whether he is fully aware of the fact that at the present moment, regardless of the historic reason behind it, in the province which I represent there is an unemployment rate of 9.1 per cent, even higher than the critical unemployment rate of last November. This is the highest unemployment rate in any area of any province in Canada. During this winter, this rate will likely soar to about 20 per cent.

At this time the minister is using as a tool to fight the unemployment situation across Canada the special powers of the Department of Regional Economic Expansion. In 1968, during the debate, and in 1969 when approval was given by the House, certain principles were agreed to in respect of the Department of Regional Economic Expansion. It was to be a tool to be used to fight specific problems in certain parts of Canada, a tool to fight regional disparity. It was never agreed that the department was to be used as an instrument to combat the economic ills across the nation.

If the minister follows the logic of designating highly industrialized parts of Canada, then he has no alternative but to designate the whole province of British Columbia which today has the second highest unemployment rate in Canada. This rate has increased to 8.6 per cent from

5.6 per cent in 1969. I do not think hon. members from the province of British Columbia would argue against the suggestion that we should designate British Columbia. They might argue that we should have special provisions brought in by the government to accommodate serious economic crises in various parts of Canada, including British Columbia, and I would agree with that. We need special measures to help particular parts of Ontario, and Montreal, which require incentives of various types in the form of economic aid and assistance during this crisis period of extensive unemployment. I do not think this Regional Development Incentives Act should be diluted by the patchwork designation of regions just because they face this kind of situation. Perhaps the minister is in agreement that there is a lot behind this move, and that before all this is over history will record what is now taking place in this cabinet and this government.

The Atlantic Provinces Economic Council, in their Newsletter for November, 1970, makes some observations about the distribution of incentive grants in various parts of Canada. The letter reads in part:

> The incentives program seems to be having little or no effect in broadening the industrial base of the region, the bulk of the grants being made in the food and beverages and wood industries—the two industries which are the backbone of the existing manufacturing base. Nor are the grants proving useful in promoting the establishment of growth centres—

The same newsletter goes on to quote the distribution of grants from October 21, 1969 to September, 1970, one year. During that period there were 285 industrial incentive grants made in Canada; 11 were made to the province of Newfoundland; 9 to Prince Edward Island; 30 to Nova Scotia and 34 to New Brunswick. The province of Quebec received 104 grants, 22 went to Ontario, 65 to the Prairie provinces and 10 to the province of British Columbia. The total amount of grants represented $79 million offered as incentives to industry in Canada. The province of Newfoundland received less than $1 million or a percentage of 1.1 of the total incentives. In the province of Newfoundland, there is a much higher percentage of the total population than those figures would seem to suggest. Prince Edward Island received just over $500,000, less than 1 per cent. Nova Scotia received $20 million or 25 per cent. New Brunswick received $7.9 million or 10 per cent. Quebec received $30 million or 38 per cent. Ontario received $10 million, or 12 per cent. The Prairie received a total of $8.7 million or 11 per cent and British Columbia received less than $500,000, or less than 1 per cent of the total grants. Those are the particulars prepared by the Atlantic Provinces Economic Council.

I understand the Council will have representatives appear before the committee when it meets to receive representations on Bill C-205. There is very serious concern on the part of this Council and the Atlantic provinces about the moves being made by the minister, the cabinet and the government, specifically in respect of regional disparity and development. We have, in the Atlantic provinces, a type of economic fibre unlike that of Montreal, Toronto or Vancouver. We have a multiplicity of small industries and small businesses. Many of these people know very little about the sophisticated international money markets or monetary and fiscal policies. We hoped that the incentives built into the regional economic expansion program would help a lot of the small industries indigenous to the regions to which I refer. I refer to the Atlantic provinces, the lower parts of the Prairies, the northern part of Ontario and rural parts of Quebec. These are the areas which require assistance in developing industries which are local and indigenous in nature to these areas.

Instead, we understand that 75 per cent of the total incentives have been outright gifts to multi-national corporations. I have in mind the announcement of a $12 million grant to a particular firm in Canada. I am not taking exception to this, but can hon. members of the House imagine where the bulk of the incentives are going to go in the industrialized parts of Canada, such as Montreal, which is designated as a special incentive area? Can hon. members imagine a small lumber dealer, a small fish plant operator or a small farmer in Nova Scotia, New Brunswick or Prince Edward Island, or even in my own province, trying to compete with these great multi-national organizations? This is the kind of thing which will ruin regional development in this nation and the whole Department of Regional Economic Expansion.

• (3:00 p.m.)

I am not against special emergency problems. I am not against special measures to help any part of Canada which has economic disparity or special economic crises. I could refer to certain cities which have had heavy unemployment this year caused by the government's mistaken attack on inflation, by the use of unemployment as a lever. I am not against that. I believe this is a necessary reaction to a situation the government has itself created. It is necessary to have special measures, but I do not think we should prostitute the industrial incentives Act in such a way that we dilute its effectiveness in parts of Canada where there are particular problems. I am against that and I do not agree with it.

We have been asking that special monetary and fiscal policy be adopted in special regions in Canada. I could not take the time to express even my own limited opinions concerning how monetary and fiscal policies should be adopted for special regions. This, however, is what the government must do if it is sincere in its fight against regional disparity. On Friday, the hon. member for South Western Nova (Mr. Comeau) made a statement which sums up my views to a "T" about the need for the special regional development effort being oriented to the resources of particular areas. I say, for example, that in the last year and a half there has been a real contradiction in respect of the government's effort in the Atlantic region. The government has moved in to do two things. First, it has provided infrastructure in areas where this was inadequate. It has provided public services to attract industries where public services were lacking. Having provided these things, the government provided incentives for those industries which would move in and take advantage of the provision of the infrastructure.

Now, we have the government designating areas where there is already the incentive and the infrastructure. It is only a matter of an industry picking up an outright gift from the government to establish in an area in which it already has easy accessibility to the Canadian and world markets. We have asked the government to consider adapting their regional development policies so that they would be based on the industry in the area. I can speak with some conviction about my own province. Last year the government brought in an $82 million two-year program of special area grants and loans for the provision of the necessary infrastructure in the area, but not a single penny of that expenditure was directed to the resources of the area. There has never been a grant, for example, to assist in establishing facilities for the fishing industry which is the most important industry in my province. Not a single penny has been spent on this.

The minister and his officials sit in their offices. These officials are very capable men; you had better believe that. They have minds like computers and they have the assistance of computers. These officials have figured out what the economy of any area needs. They have paid no attention to the representations of the people or of the members from the area. They have designed a type of program that will elimintate the rural economy of Atlantic Canada. I am not against the relocation of people, but an approach has been designed which will mean the elimination of the rural economy. This includes the fishing industry, the traditional industry, the farming industry and the forest industry in the Atlantic region. This will be the result of the type of approach the government has designed, the elimination of the rural economy. If I had time, I believe I could prove that the government is hung-up tight on the question of urbanization across Canada, giving little consideration to the residents of the various areas.

I could point to transportation and regional development policies, as well as the lack of effort on the part of the Department of Public Works, the Department of Fisheries and Forestry, and perhaps the Department of Agriculture. I believe these policies have all been designed to hasten the already serious urbanization of the population across the entire nation without regard to the human consequences involved. In various parts of Canada, we have chronic unemployment problems which did not originate in 1970. They go away back in history. I do not think the federal government must assume the full responsibility for the heavy unemployment, for example, in my province any more than for the heavy unemployment in the province of Quebec. I think all hon. members from the province of Quebec, and other parts of Canada, could from their experience and from their reading concerning the history of Quebec find several reasons for the serious economic crisis in that province. If the government should proceed with Bill C-205 as it presently exists, I think this will mean it has given up the fight on regional disparity.

The Prime Minister's (Mr. Trudeau) promise to the nation about regional disparity and regional development has become a farce. We cannot attract industry away from Montreal, and we should not attract industry away from Montreal or Toronto. However, I would hope we could have special types of incentives that would help us develop the economy in respect of our own indigenous natural resources. I could refer, for example, to the economy of Prince Edward Island, where there is a heavily based agricultural economy or my own province where there should be a heavily based fishing economy and also a forest and wood products economy. We receive very little incentive. I could point to all kinds of examples in my own area where men have endeavoured to obtain incentives for the forest and fishing industries. These incentives have been denied on technicalities because the members of the minister's department, either by instruction or on their own, have ignored the problems peculiar to these areas. They have interpreted the regulations exactly to suit themselves. The minister can go ahead now and announce a $12 million incentive for one of the largest companies in the world because he has the flexibility.

The headline on the article in the Edmonton *Journal* reads "Incentives area boundaries extremely flexible". Mr. Michael Fitzgerald explains how the minister has all the discretionary powers he wants. Yet, he sits back there in his cozy complacency and refuses to adopt any policies which would suit the indigenous industries of our area, particularly the fishing industry. Now, he intends to place all the provinces of Canada and pretty well all the regions of Canada on the same footing. Joe Batts Arm, Fogo Island, South Western Nova, the south shore, Dartmouth and all these other parts of Canada must compete for the same incentives with what is basically one of the largest and the most complex industrial economies in Canada.

In conclusion, Mr. Speaker, I wish to touch on the minister's loans program. The minister announced that one of the big changes in legislation now will come about as a result of Bill C-205's provisions for lending to service industries. This week three types of loan programs administered by the federal government should have come before Parliament. One is the Fisheries Improvement Loans Act, another is the Farm Improvement Loans Act and the third is the Small Businesses Loans Act. The Parliamentary Secretary to the Minister of Finance, the Minister without Portfolio for Finance and the Minister of Finance will agree with me that these three loan programs are not worth two cents so far as the small growth parts of Canada are concerned, because once this chamber gives its approval the legislation will be administered by the banks and the banks scuttle loans in the slow-growth areas of our country. They are scuttling the loans because the government is asking the banks to lend money under a government guarantee with a pegged interest rate of 7 per cent to 8 per cent. I am saying that the banks are scuttling these loans. They refuse to lend the money because, with the tight money situation, they can lend money at the much higher interest rate of 12 per cent and do not have to worry about the government's program.

• (3:10 p.m.)

On December 1, I presented documented evidence in the House of Commons for the record, and for the infor-

mation of the Minister of Finance (Mr. Benson) and his assistants, which indicated that small businessmen, fishermen and farmers have gone to banks but have been refused loans under government acts and that the banks have then made loans under demand loan banking procedure. In other words, they have deliberately scuttled the act. I say this legislation is window dressing and the minister knows it will not work in our area. The only people who will be able to take advantage of loans under Bill C-205 are the relatively large businesses in sophisticated parts of Canada. They can do so because they know the ropes. They can go to banks because they have done it for years and years, and they can take advantage of the situation. People in the slow growth areas where money is tightest cannot take advantage of the legislation. I have quoted statistics to show that under the act 800 loans were made in Canada but only two of them were made in my province, even though the act is supposed to be administered equally across the nation.

Hon. members have listened to the debate on Bill C-205 but I want to repeat my position. I am not against special measures for the city of Montreal, which undoubtedly is suffering serious economic problems at the moment. I am not against special measures being taken in southeastern Ontario, and I would like to see special programs brought in for British Columbia. I understand that the prognostications for the city of Vancouver are that it will have a 12 per cent unemployment rate this winter. The effect of this on young people, and on the population as a whole, will be tragic and frightening.

I think such special measures should be brought in, but I consider that the program under Bill C-205 is designed to even out the economic disparities in Canada in all regions, and our region on the east coast of Canada should have the same basic opportunities as the other regions in Canada. This is the aim of the bill and the end result will perhaps be achieved in a couple of generations. The present move indicates the government has given up the fight against regional disparity and is ignoring the underlying reasons for it. I am amazed at members of the cabinet from the Atlantic region, two of whom are in the House at present, and members of the cabinet from the Prairie region not taking a very strong exception to this bill. This act should never be used as a tool to try to solve economic crises across this nation.

Mr. John Gilbert (Broadview): I should like to have a heart to heart talk with the Minister of Regional Economic Expansion (Mr. Marchand) regarding Bill C-205. He and I have a great deal in common. We both came to the House in 1965. We have the same first name—he is Jean and I am John—and he has a French background while I have an Irish background, which indicates volatility and passion. He is a man of good instincts, like most Irish and French people. He is both concerned and compassionate. He comes from working class parents, as I do, and, like myself, he has at first struggled with a minimum of success. He has a labour background and most of his time has been spent in the trade union movement. I myself, have not been that close to the trade union movement but at one time I was an organizer and I think I am acquainted with some of the hopes and aspirations of trade union people. He has had a reasonable success in his position as a trade union leader. I think I will let you in on a secret, Mr. Speaker, and tell you that he attended the NDP founding convention in 1961, not as a delegate but as an observer. Later he did not see fit to join the party.

Mr. Baldwin: He made an even worse choice.

Mr. Gilbert: In 1965, he made the decision to join the Liberal party, I would assume on the basis that he wanted to do something for Quebec. He may have thought that the NDP were not in a position to wield power and bring about the changes that he had close to his heart to help the people of Quebec. That was a serious mistake. The result was that in due time he was appointed minister of immigration. I may say that he had a fair success in this portfolio because he appreciated some of the problems of immigrants. The record shows that he did a good and a fair job as minister of immigration. As Minister of Regional Economic Expansion, he has not been as successful. I have often thought that he should have been appointed minister of labour. It would have been more in keeping with his talents, his compassion and the fine instincts he possesses. But he has not had that opportunity to exercise some of his fine instincts. He has been almost totally dependent on his economic advisers, and this has cramped his style because he is not used to the jargon of the economists which is so difficult to understand at times.

Hon. members may recall that a year and a half ago he was responsible for passing the Regional Development Incentives Act. Today, we have before us Bill C-205, to amend that particular act. In his speech the other day he indicated that 15,945 permanent jobs had been created as a direct result, and also that for each of these jobs two additional jobs have been created, bringing a grand total of 48,000 jobs as a result of the act. I think that all of us should know that as of November 30 there were 476,000 unemployed people in Canada, and the minister said in his speech that in October the figures for Quebec showed a grand total of 159,000 people unemployed. The minister then said quite rightly that the legislation was far from enough with regard to meeting the unemployment situation in Canada. I happened to interject right then and the minister told me he had reached that figure far quicker than I had. It is really what is known as a plea of guilty to the charge that not only the act but the implementation of the act has been far from successful.

I am the last person to blame the likeable Minister of Regional Economic Expansion for the total unemployment picture in Canada, because the first reason for unemployment is the government's over-all economic policy regarding inflation which allowed a high level of unemployment to develop. This is the weapon that the government has used to meet inflation. The minister knows that most of our inflation has been imported from the United States, and one of the things that must strike him—certainly it strikes me very hard—is that the Prime

Minister (Mr. Trudeau) has attempted to place the problem of inflation at the door of trade unions in Canada. I am sure the minister knows that, so far as trade unions are concerned, only 35 per cent of the working force in Canada is organized.

• (3:20 p.m.)

I am sure he knows that the inflation has been caused by high prices for goods and services, doctor's fees, lawyers' fees, and high interest rates over which the government has had no control. Yet the government speaks of unions, and demands that they conform to guidelines. I am positive that if the minister were a trade union leader today he would have refused to accept the 6 per cent guidelines imposed by the government, for the sole reason that trade union members should not be made to bear the brunt of inflation. Then, we had the Prime Minister telling the auto workers that they were screwing the people of Canada, which is both vulgar and wrong.

The second point to be made concerns not only the government's over-all policy with regard to inflation but its policy with regard to the provision of too much aid to foreign companies. To allow grants and give-aways to foreign corporations is a sell-out of the development of a strong and independent economic framework for Canada. If the minister supports the continentalism of most of his colleagues he will throw away the political, economic, cultural and linguistic freedoms of the people of Quebec, submerging the people of Quebec in anonymity. I ask the minister, do we have a quid pro quo with regard to aid to Canadian companies operating in the United States, with the U.S. providing assistance to them in the same way that he wants to help foreign companies operating in Canada? He knows as well as I do that the answer is absolutely no. He knows as well as I do that at present our American friends are attempting to set up barriers against the importation of goods into their country. To provide foreign companies with give-aways on the basis indicated in the minister's speech, that it is really for the purpose of creating jobs, is really a short-sighted view.

The minister has been in this House since the days of the Gordon theory of economic independence. He has been in this House since the receipt of the Watkins report. Now, he is anxiously awaiting the report from the Minister of National Revenue (Mr. Gray) with regard to foreign control. But he knows full well that any report brought down by the Minister of National Revenue will be soft and lenient with regard to foreign control in Canada. I would have thought the minister would have taken some lead from countries like Japan and Sweden which exercise direct control with regard to foreign ownership.

A third reason that the minister has had a short fall of success in his department is that he has placed too much dependence upon private enterprise. It seems to me that the corporations have the government by the throat, simply by financing political campaigns. I always remember the minister saying that he had to determine where the moneys came from to support his party, and that when he did know he would take action. I do not know if he has decided where the moneys come from, but I can tell him they come from the corporations that directly control the party in power. Therefore the minister, like many of his colleagues, is just a marionette for the corporate manipulators. The minister is also a prisoner of his own officials, whose main aim is not to rock the economic boat. This is like asking the minister to swim across the St. Lawrence River with both arms tied behind his back.

The minister has some knowledge of what happened in my riding with regard to the Dunlop Corporation. He has seen how futile it is at times to depend on private enterprise, and in particular foreign controlled private enterprise, to solve unemployment problems in Canada. In the case of Dunlop, he knows that a very quick decision was made, not by the Canadian division of the company but by the English division, to close its plant in Toronto, thereby laying off 600 men, many of whom had long service with the company. He also knows that even though it stopped its operations in Toronto, Dunlop continues to operate in another country where labour and material costs are much cheaper than they are in Canada. Yet he continues to place an almost blind faith in the operations of private enterprise firms.

There are two main proposals in the minister's bill, one covering grants and the other covering other incentives on a short-term basis. But the lesson to be learned from all of this, Mr. Speaker, is that private enterprise has achieved a record of failure in creating and maintaining full employment in Canada. I would have thought the minister would have gone further with one of the basic socialist principles of over-all economic planning, and within such a framework could set guidelines to achieve the desired result.

The minister, Mr. Speaker, has a perfect right to ask me, "John, what is your answer to the problem"? In a very few minutes I shall attempt to set forth what I think should be the approach to unemployment in Canada. First, Mr. Speaker, I would not designate practically the whole of Canada as designated areas, but this is what the minister has done. I would prefer to concentrate on particular areas, where incentives would place industries in a strong competitive export position, and also enable them to charge reasonable domestic prices. The minister is quite sensitive about spreading out the moneys at his disposal across Canada. I think he is making a mistake. He is quite sensitive to the charge of showing favouritism to Quebec, but I think he has substantiated the fact that there is not any favouritism to Quebec. The minister should know that there are serious economic and social problems in Quebec. If he feels he should direct the moneys at his disposal to the solution of those problems he should not worry about the charge of showing favouritism. Quebec has a tremendously high unemployment rate, and it has tremendous social problems. I hope the minister has the boldness and courage to meet those problems head on.

On another point, Mr. Speaker, I would not like to see the minister allowing companies to establish themselves in small towns, pay low wages, and not encourage trade union development. One must be very careful that com-

panies applying for loans do not have the intention of modernizing their plant in some small town, paying low wages to the local people, and going on to ignore trade union development. The minister should not be taken in by corporation directors on this point.

As reported at page 1,928 of *Hansard*, the minister said that as a result of the implementation of Bill C-205:

> The decisions will get increasingly more complex and important. That is why I suggest the creation of a board comprising senior officials of my department, representatives of the Department of Finance and the Department of Industry, Trade and Commerce, as well as specialists from the private sector.

You, Mr. Speaker, coming from the town of Cornwall, knowing the importance of the textile industry to Cornwall and the importance of trade union development, would have hoped, I am sure, that the least the minister could have done would have been to include trade union officials on this board to help in the determination of the decisions. I am surprised and ashamed that the minister would not include trade union officials on the board. He is a prisoner of the officials of his department. Why would he not include trade union officials from the Canadian Congress of Labour and from the CNTU in Quebec, which he did so much to develop and maintain? I would ask him to give serious consideration to including trade union officials on the board who might help in arriving at some sensible decisions.

• (3:30 p.m.)

Third, Mr. Speaker, I would develop Crown corporations and encourage Canadian enterprise. The minister is very familiar with the Polymer Corporation, with Air Canada, with Sidbec Corporation in his own province and with DEVCO. These have been very successful companies. These Crown corporations were set up to meet a particular requirement.

I should like to address the minister for a few minutes with regard to Industrial Estates Limited in the province of Nova Scotia. That province attempted to meet a situation in the Maritimes by setting up the industrial estates to train men in particular industries. One industry that they helped develop was the electronics and television industry, as a result of which Clairtone had a special arrangement with the government. The purpose of this enterprise was to try and capture some of the northeastern market of the United States. It should be noted, Mr. Speaker, that there are nine television companies operating in Canada, seven of which are American owned and two of which are Canadian owned, those being Clairtone and Electrohome in Ontario. Clairtone's efforts to capture the market of the northeastern section of the United States have not been too successful. From what I have heard in the Finance Committee, this was because the American companies threw a block in its way. It was easy for them to do this; they just said that Canada could not meet the service requirements, thereby making it very, very difficult for Clairtone to operate with success. If Clairtone fails, Mr. Speaker, that will not only create unemployment in Nova Scotia but it will mean also that Canada will have only one company left to develop the television, radio and electronic business in this country.

Where is all the research and development done? For the American firms, it is done in the United States. Where is the advertising done? That is done in the United States as well. We may become captives of our American friends, not only with regard to television sets but also with regard to a series of other appliances such as refrigerators. I think the minister will have to give new initiative, new help and a new look to the development of Crown corporations in Canada if he wants to increase employment. These American companies set up branch plants in Canada to serve our domestic market and have little or no interest in the development of an export market. It is difficult to create employment with branch plants whose main purpose is to sell only to the domestic market.

I would have hoped, Mr. Speaker, that the minister would have developed a Crown building corporation, something like General Motors. We could have looked to CMHC for financing and could have specialized in building housing for senior citizens, public housing and co-operative housing across Canada. We could have applied pressure to the banks and trust companies for the direction of investment moneys. There is no reason why we should not do that. We could have used all the building techniques developed by the National Research Council, bulk buying and so forth, and perhaps we could have solved the problem that prevails across this country. When considering the housing record of the city of Montreal, we realize it is no wonder that organizations such as FRAP and movements such as the Separatists come into being. They see no future in the federal system for Canada.

I would hope that the minister would develop a Crown corporation to manufacture drugs, thereby bringing down prices and helping to create employment. Polymer Corporation and its chemical techniques could be used to provide some of the basic drugs. Thus far, the minister is depending on private enterprise. As a final challenge to the minister, Mr. Speaker, I would hope that he would develop a new Canadian car. It is shocking that small countries such as Sweden, Italy, France and England are sending cars to Canada and that the Renault Company is assembling cars here. Surely, we have the talent and resources at Sidbec Corporation in Quebec to provide the steel required. We have young engineers with talent. But the minister sits idly and allows American, European and Japanese concerns to capture the market.

I would hope, Mr. Speaker, that the minister could use some of these ideas which I have advanced for the spending of moneys rather than just depending on private enterprise. If I were minister, Mr. Speaker, I would not give one penny to foreign corporations. The minister has given a large share of these moneys to foreign companies and this is hurting Canadian enterprise. Surely, the trend to foreign ownership should be curbed. When companies apply for grants, I suggest to the minister that he scrutinize any contracts made between those companies and the government to make sure that the companies pay fair wages and have some trade union representation. Should this not be the case, then the purpose for which the moneys were allocated is being ill served. All I am saying

to the minister, Mr. Speaker, is, "Don't sell yourself to the fat cats. Return to your role as spokesman for labour." This is his rightful place in the cabinet; his place is not as spokesman and apologist for corporate fat cats. "Rise up, Jean Marchand; be done with lesser ideas and men and give your heart and strength—"

Mr. Speaker: Order, please. I have to rise up and remind the hon. member that he should address the Chair.

Mr. Gilbert: Thank you, Mr. Speaker. I am just on my final piece of poetry and through you I would say, "Rise up, Jean Marchand; be done with lesser ideas and men. Give your heart and soul and mind and strength to serve your fellow men."

Mr. Speaker: Is the House ready for the question? The hon. member for Regina East (Mr. Burton).

Mr. Burton: On a point of order, Mr. Speaker, I wonder if the minister is going to close the debate. A good many questions have been raised and if the minister could enlighten the House on some of them, I think we would save a great deal of time on subsequent proceedings.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I intend to answer, before the committee, the numerous questions which have been asked during this debate.

Mr. Speaker: Mr. Marchand (Langelier), seconded by Mr. Munro, moved that Bill C-205, to amend the Regional Development Incentives Act, be read the second time and referred to the Standing Committee on Regional Development.

• (3:40 p.m.)

[*English*]

Mr. Lundrigan: On a point of order, Mr. Speaker. I thought that the motion needed a seconder.

Mr. Speaker: Perhaps the hon. member does not realize that the Chair is now referring to the motion which was moved when the bill was introduced on second reading.

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

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TAX REVIEW BOARD BILL

ESTABLISHMENT, DUTIES, APPEALS, ORGANIZATIONS, ETC.

The House proceeded to the consideration of Bill C-174, to establish a tax review board and to make certain other amendments to other acts in relation thereto, as reported (with an amendment) from the Standing Committee on Justice and Legal Affairs.

Hon. John N. Turner (Minister of Justice): I move

That Bill C-174, an act to establish the Tax Review Board and to make certain amendments to other acts in relation thereto, be amended by striking out line 13 of subclause 22(3) at page 13 and substituting the following:

'controversy does not exceed $2,500 the'

On page iii at the back of the order paper, will be found a revised recommendation. This was inserted at my request. It was done after there had been certain consultations, to meet the point raised by the hon. member for Edmonton West (Mr. Lambert) on second reading. I think there would be some disposition in the House to allow that recommendation to be changed by unanimous consent. Perhaps the amendment that has just been put might then be considered.

Mr. Speaker: Hon. members have heard the suggestion made by the Minister of Justice. Is this agreed?

Some hon. Members: Agreed.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, since the recommendation has now been so amended, may I say that this particular amendment was suggested in committee by the hon. member for London West (Mr. Buchanan), I think. The committee agreed unanimously. Obviously, a minister's approval was necessary because this matter affects ways and means. I have agreed. This amendment reflects the unanimous decision of the committee. You will notice that the recommendation has to be amended accordingly.

Motion (Mr. Turner, Ottawa-Carleton) agreed to.

Hon. John N. Turner (Minister of Justice) moved that Bill C-174, to establish the tax review board and to make certain amendments to other acts in relation thereto, as reported (with an amendment) from the Standing Committee on Justice and Legal Affairs, be concurred in.

Motion agreed to.

Mr. Speaker: When shall the said bill be read a third time?

Mr. Baldwin: By leave, now.

Mr. Turner (Ottawa-Carleton) moved that the bill be read the third time and do pass.

Some hon. Members: Agreed.

Mr. Turner (Ottawa Carleton): On a point of order, Mr. Speaker, may I once more thank the House for its courtesy. Also, may I correct my reference to the hon. member who suggested the amendment referred to previously. It was the hon. member for Burnaby-Richmond-Delta (Mr. Goode).

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

Canada Grain Bill

INVESTMENT COMPANIES BILL

FILING OF STATEMENTS AND INFORMATION, QUALIFICATIONS AND DUTIES OF AUDITORS, TRANSFER OF SHARES, ETC.

The House proceeded to the consideration of Bill C-3, respecting investment companies, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Allan J. MacEachen (for Minister of Finance) moved that Bill C-3, respecting investment companies, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

Mr. Speaker: When shall the said bill be read the third time?

Mr. Baldwin: By leave, now.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. MacEachen (for Mr. Benson) moved that the bill be read the third time and do pass.

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

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CANADA GRAIN BILL

ESTABLISHMENT OF COMMISSION, PROVISIONS RESPECTING GRADING LICENCES, ELEVATORS, ETC.

The House proceeded to the consideration of Bill C-175, respecting grain, as reported (with amendments) from the Standing Committee on Agriculture.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, there are some amendments to be moved, are there not?

Mr. Speaker: Since the hon. member for Assiniboia (Mr. Douglas) is not in the House, perhaps hon. members will agree to consider motion No. 2, in the name of the hon. member for Crowfoot (Mr. Horner).

Some hon. Members: Agreed.

Mr. J. H. Horner (Crowfoot): I move:

That Bill C-175, an act respecting grain, be amended by deleting Clause 41 and by renumbering the subsequent clauses accordingly.

I only hope, Mr. Speaker, that all hon. members will lend an ear to what is said on this important amendment. Clause 41 of the bill as now drawn would constitute an entirely new approach to legislation affecting grain in Canada. There is nothing like it in the old Canada Grain Act. Perhaps I ought to say, first of all, that the bill sets out the powers and objectives of the Board of Grain Commissioners. Clause 41 constitutes a new departure inasmuch as it includes a new provision under which the Board of Grain Commissioners may stop payment on stored grain if there is a labour stoppage on the part of certain employees. The idea here is that if grain is not in a position from which it can be delivered, the fault must therefore lie with the elevator companies and storage payments to them ought to be stopped. This clause will seriously affect the whole question of wage negotiations conducted through the process of bargaining. Clause 41 provides that storage charges will be paid for the first seven days, but if there is a dispute they will not be paid thereafter. From my reading of subclause 2 of clause 41, it is apparent that the payment of storage charges will cease after seven days under certain conditions.

At present, the government is greatly concerned about holding the line on costs in our society. It wishes to hold the line on cost inputs and, without doubt, labour costs are part of these inputs. In my opinion, clause 41 strengthens the hand of the unions and those negotiating on behalf of labour. It would strengthen their hand at the negotiating table. The clause provides categorically that, under certain conditions, storage payments will cease after seven days. In other words, the clause would encourage elevator companies to come to a settlement in any dispute before seven days, so that the storage payments would not be cut off.

The Manitoba pool elevator companies submitted a brief to the Standing Committee on May 26, 1970. On page 7 of the brief there is a reference to the question of wage negotiations. Also, United Grain Growers Limited, which has its head office in Winnipeg, wrote to the minister. A copy of the letter was sent to the Chairman of the Standing Committee on Agriculture. The letter contains this reference to clause 41 of the bill:

• (3:50 p.m.)

Section 41 of Bill C-175 could provide unions with undue advantage over terminal operators in any wage negotiations. We would suggest that while the holder of a warehouse receipt could be inconvenienced by an elevator labour stoppage, the elevator operators continue to incur the bulk of storage expenses throughout the period of a stoppage; and it would be prudent for the Act to limit specifically the Commission from reducing maximum storage charges to less than fifty per cent of the regular charge. We would further suggest that in the interests of producers, who in the final analysis pay the cost of elevator employee wages, maximum tariffs must be set at a level sufficient that undue bargaining leverage will not come into force.

The letter as written and signed by Mr. Runciman, the president of United Grain Growers Limited, and was sent to the Standing Committee on Agriculture. I am sure the minister has a copy. The Manitoba pool and the United Grain Growers are owned by the producers. I quote what the North-West Line Elevators Association had to say:

Section 41 of the proposed Bill is an extraordinary piece of legislation. It is the opinion of this Association that this entire Section should be removed from the Bill rather than amended. Our reasoning for so recommending are fears of the harmful effects that this Section will have in promoting higher wage settlements to the detriment of producers. It should be noted that the bulk of the expenses incurred in storing grain in terminal elevators continue to be incurred whether the plant is operating or not.

The North-West Line Elevator Companies Association operates a series of elevators in the three Prairie provinces. They primarily operate under the title, the Pioneer Grain Company. I could read many, many submissions

with regard to this particular clause. Most elevator companies have indicated their grave concern to the committee. There was nothing similar to this in the old grain act.

What has been the situation in the past? The last major work stoppage was at the Lakehead two years ago. The Minister of Agriculture (Mr. Olson) was not very sympathetic to the producers and the elevator companies at that time. I will paraphrase a newspaper clipping concerning that situation. The minister said that if the grain trade had made a reasonable offer in the first place there would not have been a strike or the strike would have been shortlived. This is what he told the western farmers.

Two years ago the terminal grain handlers at the Lakehead were offered $1 an hour increase after much bargaining. Members of the office of the Minister of Labour intervened. A settlement was reached with $1.05 increase. The Minister of Agriculture cannot say that a reasonable offer was not made. Originally $1 was offered and the final settlement was for $1.05.

Mr. Olson: They did not.

Mr. Horner: The Minister may speak when I have concluded my remarks. A substantial increase was made two years ago. The contract is up for renewal this fall. Perhaps the end of this year will be the deadline. They are now asking for another 20 per cent increase in wages. Surely, the hand of the union does not have to be strengthened in today's economic set-up. I do not have anything against unions. They have played an important part in bringing about greater equity to those employed in the major industries in Canada and throughout the world. However, it is not the time for Canada to strengthen their hand at the bargaining table. Their hand does not need strengthening with regard to the handling of grain.

The hand of the union does not need strengthening in Vancouver or the Lakehead. Approximately 400 workers tied up the entire prairie economy. This was as the result of what happened in Vancouver a year ago. The entire prairie economy was affected when over 200 workers went on strike for a period of 26 weeks, half a year. Approximately 200,000 farmers were affected by slightly over 200 workers. Farmers repeatedly threatened to go to the coast to load the boats themselves, although they did not actually do this. After being on strike for 26 weeks in Vancouver, the workers finally settled for a 70 cent an hour wage increase with fringe benefits. The total cost to the companies was 87 cents an hour. This contract does not expire until the end of 1971.

Greater strength is being given to the unions at the bargaining table at a time when they are not acting like good Canadians. In his guidelines, Dr. Young proposed a 6 per cent wage increase and a 6 per cent price increase. We were told that the companies made a sincere effort to comply with this. However, they made no real efforts to comply with the suggestions and stated quite categorically that they would not comply. At times they deliberately went out of their way to prove that they were stronger and more forceful than the government. They convinced the government that wage increases in excess of 6 per cent were necessary.

A short time ago the grain trade settled for a huge increase. The grain trade can have serious effects on the whole matter of grain marketing. Hon. members know that the problems of grain and grain handling can create a massive financial problem for the producers of that commodity. A strike is only called when that industry is in a position to create economic chaos. For example, they do not strike when navigation on the St. Lawrence River is closed. It is to their advantage to strike when they can create the most pressure at the bargaining table.

The government has stated that labour must somehow control its wishes. A Prices and Incomes Commission was established to study price and wage increases. Huge sums of the taxpayers money were spent for this commission to travel across the country. On the other hand, government wage settlements indicate no attention was paid to the Prime Minister (Mr. Trudeau) or the Minister of Finance (Mr. Benson), who stated the purposes of the commission. As I have said, the government puts forward a bill containing a clause which positively assists the unions at the bargaining table. This is what the United Grain Growers think; this is what the Manitoba pool thinks; this is what the North-West Line Elevator Company thinks; this is what the Federal Grain Elevator Company thinks—I could name a whole host. These are the people who will be negotiating on behalf of the producers for fair wage settlements. Hon. members can ask themselves: was there any provision of this kind in the old act? Remember, the old act was successful for 40 years; for 40 years it was conducive to peaceful wage negotiations and proved relatively satisfactory. I contend that this clause is an afterthought, included to meet the wishes of the board and in particular of the solicitor for the Wheat Board, Mr. Monk, I am told, who was tired of negotiating these arrangements and preferred a fixed pattern, going automatically into operation at the end of seven days. There was nothing in the old act along these lines and I urge the government to take the clause out of the bill before us, in line with my amendment. Such a provision has not been necessary for 40 years, it is not required now, and the amendment urges that it be removed.

• (4:00 p.m.)

I wish the minister would hide his prejudices. I know he favoured the unions at the negotiating table at the Lakehead two years ago when he suggested that the grain growers had not made a fair offer in the initial instance. Hon. members should bear in mind that we may be setting up a system here which will last another 40 years. A time may come within the next 10 years when some provision such as this will have to be written into the bill to give the unions greater bargaining power, but this is not the occasion on which to do so; this is not the time to say to the unions: You do not have sufficient economic strength in our society so we must ensure that a body of men numbering some 200 employed in the Vancouver terminal can tie up the produce of about 200,000 farmers trying to get their grain to export mar-

kets. Why should we go out of our way to write into this bill a completely new clause to strengthen the negotiating hands of 200 people who could, in some circumstances, tie up the incomes of 200,000 producers, as they did two years ago for a period of 26 weeks? In all fairness to the people I represent, I cannot allow this bill to be passed without putting the onus squarely on the government if they fail to remove this clause.

It is a clause whose effect will be to aid the unions at the bargaining table. This has been done deliberately. Just as sure as can be, there will be difficulty in the years ahead in settling grain handling problems at the Lakehead and at Vancouver; as sure as guns there will be difficulty, and this clause, if passed, will contribute to that difficulty, because no one can say he is serving the agriculture industry by strengthening the hands of the unions at the bargaining table. To my mind, this is a basic issue and I urge all members to take it very seriously before they vote on my amendment. For my part, I shall do my utmost to bring the matter fully to the attention of the farmers the next time we run into grain handling problems either at the Lakehead or at Vancouver. The farmers will want to know who assisted whom. All members should weigh this issue carefully before they vote on the amendment, because we can be sure that negotiating problems will develop in the years ahead.

Hon. H. A. Olson (Minister of Agriculture): I wish to speak only briefly on the amendment put forward by the hon. member for Crowfoot (Mr. Horner) calling for the deletion of Clause 41. This particular amendment has been moved on two occasions in the Standing Committee on Agriculture, and has been defeated on both.

The argument which is advanced about strengthening or weakening one side or another as far as labour negotiations are concerned is not a valid one in my view.

Mr. Horner: The grain companies think so.

Mr. Olson: Yes, I know. If I owned a grain company I would like to collect the full storage charges from the farmers while elevators were shut down, but in my view it is not fair for farmers to have to pay full storage charges during periods when there is a major stoppage, because farmers have the right, by reason of the grain tickets they hold, to have access to that grain, and to have it delivered into a vessel or into any other means of transportation, when it is called upon.

So the reason for the inclusion of clause 41 in the Canada Grain Act is clear. It provides authority for the Board of Grain Commissioners to set a special maximum storage charge for grain held in an elevator when the licencee is unable to deliver the grain because of the condition of the elevator or because the employees are not working—in other words, when the elevator is not operating. This clause makes it plain that the regular storage charges can continue for seven days but that afterward a special storage charge shall apply, and that this lower charge may be set for specific periods of time after the first seven days.

In addition, subclause (3) of clause 41 specifies that to make this new charge operative, the regulations must prescribe it in advance. This is so that everyone, including the farmers who have grain stored in these elevators, is in a position to know in advance what the charges will be in the event of a work stoppage for any of a number of reasons.

I wish to be as conciliatory as I can, Mr. Speaker. It seems to me this is a perfectly logical clause. In my view the charge should not be applicable in full during a period when grain is not available for delivery on request, for example, from those people who act on behalf of the farmers holding warehouse receipts. I do not think holders of warehouse receipts should be called upon to pay full charges when their grain is not available to them. This is, essentially, the reason for the inclusion of clause 41. If an elevator is not operating, because of a labour stoppage, obviously the cost of running that elevator is significantly reduced. This is another argument in favour of my contention that it is not reasonable to continue charges at the full level. I might add that the commission is responsible for determining the approximate maxima.

• (4:10 p.m.)

As required by clause 80 of this bill, the commission is obliged to hold public hearings on such a tariff if it is requested by the licensee, and in this case the licensee would be the owners and operators of the terminal elevators. I hope the House will not accept this amendment on the basis of the arguments which I have just made because I do not believe it is fair to ask the farmers to pay full storage charges under such conditions as I have mentioned. That is what clause 41 is about and I want to completely reject, as kindly as I can, the interpretation the hon. member put on certain comments I made as long ago as a year and a half and again a few weeks ago.

I said that management, during the first four or five weeks of the strike at the lakehead in the fall of 1968, had not made a reasonable offer to the labour unions. That was not a $1 an hour increase. They offered 42 cents an hour during the first four weeks, which both labour and management knew was an unreasonable offer in relation to what they had already settled for at the Vancouver terminals. The hon. member is putting a completely distorted construction on what I said. While I do not want to argue with him this afternoon, I do not think his remarks ought to stay on the record unchallenged. We can argue this across the country, and no doubt we will, from time to time, in the next couple of years.

In conclusion, the application of clause 41 does not change the relative position of management vis-à-vis labour. What it does do is create an element of justice on behalf of farmers who have grain stored in these elevators in that they will not pay the full storage charges while some other parties are involved in a dispute.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I just want to make a brief comment. As a farmer, I quite naturally cannot be in favour of any strike which

would interfere with the delivery of grain from farms to terminal elevators in Canada. I feel that by removing clause 41 we would perhaps be placing an unjust burden on farmers who ultimately pay the storage charges. I must oppose the amendment on the basis that this clause does provide an element of justice to those who ultimately pay these charges. For this reason I will vote against the amendment.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, it is quite apparent there are two sides to this question. This is what the hon. member for Crowfoot (Mr. Horner) had in mind when he introduced this amendment. A few years ago we were faced with a strike by grain handlers. Negotiations are still progressing at this time. If these negotiations break down, we will face the possibility of a strike which I am sure all farmers do not want. I am also sure that the government would not want such a strike at this particular time. One cannot predict what will happen because negotiations have not progressed to the point of breaking down.

Perhaps the minister had some changes in mind when the bill was first drafted. Perhaps he has had some afterthoughts, as a result of the suggestions regarding grain policy made by the minister responsible for the Wheat Board. He left the impression throughout the country that he intends to make substantial changes.

This particular amendment relates to the payment of storage charges which, up until now, have been looked after by the government in so far as the amount in excess of 178 million bushels is concerned. This has had the result of giving higher returns to the producer. Last year the amount the federal government paid was in the neighbourhood of $70 million. It is now proposed that the Temporary Wheat Reserves Act be eliminated. In that event, the farmers will be the ones who will pick up cost of this storage if sufficient money is not earned by the elevator companies, which in some cases are owned by farmers and farm organizations.

The only alternative to this proposal is an increase in handling charges. Such an increase will again have to be negotiated. I cannot envisage a commission defying the elevator companies which could quite obviously justify an increase because of insufficient revenues from storage charges. In any event, it would be the farmers who would pay.

The minister's suggestion is that under clause 41 the elevator companies would not get paid. It seems obvious to me, regardless of the protestations of the minister, the pressure will be on the elevator companies to settle disputes. In the last year or so, the Prices and Incomes Commission has suggested certain guidelines. The government, in its fight against inflation, has suggested a guideline of 6 per cent. I do not have to remind the House and the country that it was organized labour which did not subscribe to these guidelines. Through their spokesmen, organized labour suggested we could not control the demands of their membership.

As a result of this clause, organized labour will be placed in a better position when negotiations are in progress. The longer grain handlers are inactive, the greater the pressure will be on the elevator companies to settle because of the loss of revenue. I can readily see the kind of situation that could develop. At a time when we were possibly negotiating a grain sale to another country, following years of congestion and a lag in the movement of grain, grain handlers could put us in the position of having to renegotiate contracts. This could result in another strike if these grain handlers felt the time was ripe to again make these demands. It could well be said that this clause could definitely work against management. I think management might be able to look after itself.

• (4:20 p.m.)

However if, for example, the Saskatchewan Wheat Pool, the United Grain Growers or any other elevator company should end up paying a higher rate than they consider to be reasonable, the net result would be that any earnings the farmers might expect to have from their participation in their farm owned elevator system would naturally be reduced. Last year we had a situation in respect of the wheat pools. They were in a very sound financial position. However, with the removal of the Temporary Wheat Reserves Act the elevator systems eventually will show reduced income and I fear what will happen is that the elevator systems will deteriorate and, in fact, to a large extent be eliminated. I have pointed this out in this House before. I am not convinced by the argument of the minister or any of those who subscribe to the policies the present government is pursuing, because it would seem to me that the only person who will stand to lose eventually is the farmer.

If some of the elevators should be removed, this would mean higher transportation costs for the individual producer because he would have to deliver his grain to more distant points. The total cost of his production will increase and, in that round about way, the effect will eventually be felt by the producer. Despite anything the minister may say at this time, I am convinced such a clause tips the balance against business negotiations, if you wish. I am sure the elevator companies are quite aware of the effect of this particular clause since they raised the matter in their submissions. Although the minister might wish to suggest one thing or another, I have already pointed out that in a round-about way I feel the bus stops right at the producer's door because eventually he will lose his elevators and his transportation costs will increase. I will support, and I urge others to support, this amendment, Mr. Speaker.

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

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on the motion of the hon. member for Crowfoot (Mr. Horner). Is it the pleasure of the House to adopt the said motion.

Some hon. Members: No.

Some hon. Members: Yes.

Mr. Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Section 11 of Standing Order 75 the recorded division on the proposed motion stands deferred.

Mr. A. B. Douglas (Assiniboia) moved:

That Bill C-175, An Act respecting grain, be amended by

(a) renumbering Clause 12 at page 13 as subclause 12(1);

(b) by deleting the words, "other than a primary elevator," in line 18 of Clause 12 at page 13; and

(c) by adding the following subclause to Clause 12 immediately after line 36 at page 13:

"Limitation" "(2) The Commission shall not, in operating any elevator as a primary elevator pursuant to paragraph (d) of subsection (1), purchase grain."

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I should like to support this amendment because the words "other than a primary elevator" raise some serious problems concerning the definition of a primary elevator in another clause, I believe clause 2. I think the addition of a subclause to clause 12 does, in fact, meet all the arguments advanced in the Standing Committee on Agriculture. I believe it is fair to say the argument advanced were to prevent the Canada Grains Commission from operating a primary elevator for the purpose of making sure the commission does not become involved in the business of competing directly with the elevator companies. Therefore, the addition of subclause 2, as provided in this amendment makes clear that the commission will not be in the business of buying grain directly from the primary producer. The existing Board of Grain Commissioners at the present time does operate a number of elevators, particularly interior elevators, which could and indeed would come under the definition of primary elevator if there should be direct deliveries from some farmers to those elevators.

I am sure hon. members will have no objection to the kind of facility which would permit these elevators to receive, for example, truckloads of grain. The reason we would not like to include the words "other than a private elevator" is that this would prevent the Board of Grain Commissioners receiving this grain directly from the producers or indeed directly by motor transport or truck delivery. Therefore, the addition of the words suggested by the hon. member for Assiniboia (Mr. Douglas) "the commission shall not, in operating any elevator as a primary elevator...purchase grain", I believe would meet the arguments that were advanced in the committee and at the same time allow the commission to do those things that may be needed and which may be reasonable in the operation of interior elevators. There is a situation now, with rapeseed coming into some of the interior elevators, where we would be willing to accept grain directly by truckloads lots at those elevators, even though it came directly from the producers, provided it is assigned to these interior elevators by a grain company.

We do not intend to get into the grain business, and indeed the additional clause specifically prevents that. The problem is that under the definition "primary elevator", the grain commission would also be prevented from accepting these truck lots of grain directly from the producers, notwithstanding that it had come through the account of some grain company or grain co-operative. For those reasons, I would hope the House would be willing to accept the amendment of the hon. member for Assiniboia.

• (4:30 p.m.)

Mr. J. H. Horner (Crowfoot): I commend the minister for his explanation of the amendment, and I am inclined to support it. However, I think I would like to question the procedure here. Why did we not hear from the hon. member for Assiniboia (Mr. Douglas) who is purported to have moved the amendment? Why do we engage ourselves in this hide and seek? Undoubtedly, the minister handed this amendment to the hon. member for Assiniboia to move, but why did he not place the full load on the hon. member for Assiniboia and have him explain it to the House? I do not understand this business of trying to pass on a little favour to the hon. member for Assiniboia so that he can get credit for moving the amendment, when in reality it is the brainchild of the Department of Agriculture and of the Minister of Agriculture (Mr. Olson). With those words, I tentatively wish to bring about corrective action by the Department of Agriculture. The minister need not be ashamed of moving this amendment. If it is his wish and his brainchild, he should put it forward.

If the hon. member for Assiniboia wants to boldly second the amendment or even take credit for this brainchild of the minister, he should rise and make a speech on the amendment, rather than expect the amendment to be passed without giving us his explanation of it and telling us why we should support it.

Now, I should like to speak to the amendment. This clause was debated at length in the committee on two previous occasions. Last June, the committee saw fit to vote the amendment down. The bill did not pass in the old session, so the amendment was put forward again. During the past summer recess, the committee saw fit to accept the amendment and voted in favour of it. As I remember it, the count was substantially in favour of the amendment.

What was the purpose of the amendment? The amendment is to clause 12, line 18, to delete from paragraph (d) the words, "other than a primary elevator,". It is no

secret that, as the minister suggests, under the Board of Grain Commissioners the government is managing inland terminals at Saskatoon, Moose Jaw, Lethbridge, Calgary, Edmonton and so on, regardless of whether they are called inland terminals or transfer elevators. In any case, they are other than primary elevators. As I see it, they could continue to be operated under paragraph (d) as it is now worded. However, the minister wishes to put forward this amendment. To my mind, the amendment clouds the issue a little. It states that the commission shall not, in operating any elevator as a primary elevator pursuant to paragraph (d) of subsection 1, purchase grain. In other words, if they operate as a primary elevator, they cannot purchase grain. That is my interpretation of the amendment. I do not believe this wording clarifies the clause.

However, if it makes the minister feel better to include these words, we would have no objection. I know the minister supported wholeheartedly the amendment to clause 12 when it was discussed in the committee, so we on this side of the House can support this amendment. I may say that the committee also put forward five amendments to the bill which substantially improved the bill. This act had not been amended for about 40 years and it needed careful examination, which it received in the committee. Although it was not passed in the last session, it has been substantially improved in this session. This being the last amendment before the House, we on this side are prepared to accept it. I think we should pay tribute to the minister for accepting so many amendments brought forward by the opposition in the committee, both in the last session and in the present one. I think the grain trade and the producers will be substantially better served as a result of the exhaustive study which the Committee on Agriculture gave to this bill, both in the last session and in this one.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, we support the amendment of the hon. member for Assiniboia (Mr. Douglas). It seems logical in this day and age of specialty crops. Frequently, when not enough grain is grown to fill a boxcar, it is logical that it should be delivered to terminal elevators. I think that this amendment should be passed so that grain could be delivered to these elevators. It makes sense to me.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: The House will now proceed to the deferred division on the amendment proposed by the hon. member for Crowfoot (Mr. Horner). Call in the members.

Division

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

• (4:40 p.m.)

YEAS

Messrs:

Alexander
Baldwin
Bell
Coates
Comeau
Crouse
Danforth
Dinsdale
Downey
Hales
Harkness
Horner
Howe
Knowles (Norfolk-Haldimand)
Korchinski
Lundrigan
MacInnis (Cape Breton-East Richmond)
MacRae
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Mazankowski
Monteith
Moore
Muir
Murta
Nesbitt
Nielsen
Ricard
Ritchie
Ryan
Rynard
Schumacher
Simpson
Southam
Stewart (Marquette)—38.

NAYS

Messrs:

Allmand
Badanai
Barnett
Barrett
Basford
Béchard
Borrie
Boulanger
Breau
Brewin
Buchanan
Burton
Cafik
Chappell
Chrétien
Clermont
Cobbe
Corbin
Côté (Longueuil)
Crossman
Cyr
Danson
Davis
Douglas (Assiniboia)
Douglas (Nanaimo-Cowichan-The Islands)
Drury
Dubé
Duquet
Forget
Foster
Francis
Gendron
Gibson
Gilbert
Gillespie
Givens
Gray
Groos
Guilbault
Harding
Hellyer
Hogarth
Howard (Okanagan Boundary)
Howard (Skeena)
Hymmen
Isabelle
Jerome
Kaplan
Knowles (Winnipeg North Centre)
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
MacEachen
MacGuigan
MacInnis (Mrs.)
Mackasey
McBride
McNulty
Mahoney
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mather
Morison
Munro
Noël
Nystrom
O'Connell
Olson
Orange
Orlikow

Division

Messrs:

Osler
Pelletier
Pepin
Portelance
Pringle
Prud'homme
Richard
Richardson
Rowland
Roy (Laval)
Saltsman
Sharp
Skoberg
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Okanagan-Kootenay)
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Thomson (Battleford-Kindersley)
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Weatherhead
Whelan
Whicher—108.

• (5:00 p.m.)

Mr. Speaker: I declare the motion lost.

Hon. H. A. Olson (Minister of Agriculture) moved that Bill C-175, respecting grain, as reported (with amendments) from the Standing Committee on Agriculture, be concurred in.

Motion agreed to.

Mr. Speaker: When shall the said bill be read the third time.

Mr. Baldwin: By leave, at eight o'clock. May I call it five o'clock.

Mr. Speaker: Is it agreed that the third reading motion will be put at eight o'clock this evening?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment will be as follows: the hon. member for Kootenay West (Mr. Harding)—Health—Inclusion of paramedical services under medicare; the hon. member for Vancouver-Kingsway (Mrs. MacInnis)—Health—Inclusion of paramedical services under medicare; the hon. member for Lisgar (Mr. Murta)—Grain—Barley—Price spread between deliveries to country elevators and feed mills.

It being five o'clock, the House will now proceed to the consideration of private members business as listed on today's Order Paper, namely, Notices of Motions and Public Bills.

[Mr. Deputy Speaker.]

PRIVATE MEMBERS' MOTIONS

THE CANADIAN ECONOMY

REQUEST FOR LEGISLATION TO IMPROVE LIVING STANDARDS IN CANADA AND THROUGHOUT THE WORLD

On the order: Private Members' Notices of Motions:

That, in the opinion of this House, the government should give immediate consideration to the introduction of legislation to abolish poverty by redistributing income and planning productive resources so that the wealth created by modern technology may provide a much more equal standard of living for Canadians, regardless of who or where they may be, and may also be used to enable Canada to contribute a fair share of this country's wealth toward greater equality of living standards throughout the world.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I believe there is agreement to let this Notice of Motion in the name of the hon. member for Vancouver-Kingsway (Mrs. MacInnis) stand and retain its position.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Motion stands.

* * *

CUSTOMS ACT

REQUEST FOR AMENDMENT TO FACILITATE AIRPLANE TOURIST TRAFFIC AT AIRPORTS

On the order: Private Members' Notices of Motions:

That, in the opinion of this House, the government should consider the advisability of making regulations, pursuant to paragraph (r) of section 273 of the Customs Act, so as to facilitate airplane tourist traffic at Canadian airports of entry by providing for the deputizing of qualified personnel now employed as management or administrative officers to handle customs clearance to such tourist traffic.

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, could this motion in my name stand today and maintain its position on the order paper?

Mr. Knowles (Winnipeg North Centre): Agreed.

Motion stands.

* * *

POLLUTION

NEED FOR GOVERNMENT AID IN RESEARCH AND DEVELOPMENT OF SOLID-WASTE DISPOSAL PROGRAMS

Mr. Lincoln M. Alexander (Hamilton West) moved:

That, in the opinion of this House, the government should initiate a national research and development program in respect of methods of proper and economic solid-waste disposal, including studies directed to the conservation of natural resources by reducing the amount of waste and unsalvageable materials and by recovery and utilization of potential resources in solid wastes; and provide technical and financial assistance to provincial and municipal governments and multi-governmental agencies in the planning, development, and conduct of solid-waste disposal programs.

He said: Mr. Speaker, an hon. member of my party who is to my left said to me, as you were reading the motion, that I could not lose with a motion of this kind. I told him that it is exactly the same kind of motion as I had moved previously, and my previous motion had not been accepted. May I say this now? The growth of our urban regions is being intensified and accelerated to such an extent that by 1980 about 80 per cent of our population will be urban oriented. I, therefore, believe it is necessary for me to continue to bring this matter before the House. I shall do that. I made a speech on this subject on February 2, 1970. May I refer hon. members to my remarks made between pages 3094 and 3103 inclusive. There I discussed the technical background of the problem involving the disposal of solid waste. This problem has grown much worse since that time. We shall continue producing waste in ever greater abundance. Citizens of urban areas are now producing one ton of solid waste per person per year. This fact must be considered. Because of the magnitude and importance of the matter, I submit that the House ought to be prepared to agree to a motion such as is before it now.

We now face a double problem, Mr. Speaker. We must adopt measures to take care of the accumulation of the neglect of past years and establish, as well, effective measures to clear up current problems. The seriousness of the problem is and was accepted on both sides of the House. I should like to emphasize and underline that statement. As I say, both sides of the House accept the seriousness of the problem. May I say that being against pollution is probably politically safer than being for motherhood these days. The question that is still asked is, what do we intend to do about pollution?

After my speech of February 2, I was pleased to see that the forty-fifth annual report of the United Church of Canada Board of Evangelism and Social Services, published in 1970 and entitled, "It's a big responsibility" upheld my views. I was glad to learn that that organization considered the problem I had placed before the House and the Canadian people as one which is important, which calls for an immediate answer and which calls for the involvement of the federal government.

My present proposal, Mr. Speaker, would, if accepted, encourage the government first to support research and training programs and, second, to make grants for demonstration projects in the area of the control of solid wastes, thus encouraging the implementation of existing technology to remedy current practices. I cannot understand how we can approach the problem of air pollution and water pollution to the exclusion of problems involving solid wastes. At page 3095 of *Hansard* for February 2, 1970 I am reported as saying:

> Although it seems possible, it really is not practical to separate problems involving solid-waste disposal from those involving water and air pollution. For example, air pollution can be aggravated by the burning of solid wastes. Household grinding of garbage eliminates solid waste but increases liquid waste. Solid-waste disposal by means of land fill can produce problems relating to ground water supplies.
>
> Therefore, any over-all policy involving the disposal of solid wastes must be developed in association with any policy relating to liquid waste and atmospheric conditions. Accordingly, it is necessary for the federal government to adopt some unified standard.

• (5:10 p.m.)

The research aspect of the proposal would emphasize recycling rather than dumping as the preferable method of disposal. Recycling includes all methods of disposal which have as a definite end the return of the materials to use. Where dumping is the only feasible alternative, the research would concentrate on those methods by which disposal is carried out without creating health hazards or further environmental pollution.

The financial aspect of my proposal is equally important to the research aspect. As the hon. member for Esquimalt-Saanich (Mr. Anderson) pointed out in the debate last year, in many cases we already have the scientific knowledge to deal with certain aspects of this problem. All that remains is the need for funds to apply this knowledge.

There is a need for federal action. We all realize that the federal government cannot be expected to solve the problem by itself. Nor will it be solved by attacking a particular industry or level of government. As the comic strip character Pogo so aptly described the problem of pollution, "We have met the enemy and he is us". However, our experience has demonstrated the cities and provinces, unaided, will not be able to invest the funds urgently needed to meet the rising cost of solid-waste disposal and will lack the means to take advantage of improved methods now available and being perfected. Furthermore, there will be nothing gained in the long run if one city or province merely hurls the refuse into someone else's backyard.

I received a communiqué, probably from someone in the Ottawa office of the United States information services. It is dated March 24, 1970. It indicates that three departments of the United States government, the Department of Agriculture, the Department of the Interior and the Department of Health, Education, and Welfare have announced a project to reconvert solid waste. I quote from the communique:

> The Departments of Agriculture, Interior and Health, Education, and Welfare today announced the establishment of a joint research and development pilot project aimed at helping the nation's cities reconvert solid wastes into useable materials.
>
> The project is being conducted at Madison, Wisconsin, to develop the technology needed to transform discarded cans, bottles, plastics, paper and other solid trash into materials that can be re-used in the economy.
>
> Later on, the Departments hope to build a full-scale demonstration facility capable of demonstrating to cities and towns across the country one way to handle their solid waste production. The design of this facility will begin this year.
>
> The disposal of solid wastes is one of the nation's most pressing environmental pollution problems. Last year, municipalities across the United States spent about $4.5 billion to collect and dispose of nearly 350 million tons of solid wastes, much of which went to open land dumps, creating new health and pollution problems. By the early 1980's solid discards are expected to exceed one half billion tons annually.

The United States is apprised of the situation to such an extent that it is prepared to have two departments face this problem and to accept what I have indicated in my motion, research and financial assistance. It is beyond

my comprehension to understand why this government has not taken a similar stand.

A few of our municipalities have begun to take steps to upgrade their efforts in this regard. Various industries, including the Packaging Association of Canada have begun to demonstrate greater concern with the problem. However, as the current chairman of the program, "Keep Canada Beautiful", referred to as KCB, a program of the Tourist Association, has pointed out:

"KCB has been made aware through its efforts that a spot by spot antilitter program is not enough. There is little sense in cleaning up one area when the region or area directly connected to it is without any kind of campaign. A national attack on litter is needed—one that stretches from one end of the country to the other with the support of the provinces and the Federal Government."

I wish to point out that the research and financial aspects are very important. I am concerned because the government has not at least moved in the same direction as the United States. As far as I have been able to determine, the federal government has done nothing in this field.

In the debate on this motion on February 2, 1970, the hon. member for Northwest Territories (Mr. Orange) referred to an advisory committee on public health engineering which was supposedly preparing a report on solid-waste disposal problems in Canada. According to the hon. member, this report was supposed to be available by the spring of 1970. My enquiries reveal this report has not even been started, yet alone completed. The report, on an area of such magnitude and importance, has not been started.

In conclusion, it would be most detrimental for this country if hon. members opposite agreed in principle with my sentiment, then lessened their credibility by talking out this motion. If a special committee on environmental pollution does not do anything else of significance, I hope it will refer to the February debate and the debate of this afternoon and accept holus bolus my motion as one of its recommendations.

Mr. P. M. Mahoney (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, it may be some time before we get to the point of accepting holus bolus various recommendations of the hon. member. However, this is certainly one which we can look upon with sympathy and understanding. He has zeroed in on a problem that is well recognized. It is one of the major problems in our increasingly urbanized society.

One of the outstanding lessons in this century is that the capacity of our environment to decompose waste materials to harmless levels is not infinite. While the ability of the environment to assimilate our wastes is finite, the production of wastes is accelerating as we aspire to newer amenities and ways of life. We are rapidly overtaking the capacity of our environment to handle the waste that our way of life generates.

A diseased environment, such as results from the conditions described by the hon. member, means distress to all of us in a variety of ways. This extends beyond the physical well-being of man. It proliferates into the psycho-social and economic realms, not to mention the delayed, subtle impact on the ecology of our earth which sustains human life as we know it today. Granting that human activities must result in residues, and granting that all these residues will not be useful, or capable of being decomposed by nature, there is a real need, as the hon. member has suggested, to define both the nature and the momentum of the danger facing our society, to identify existing and potential hazards, and to develop a strategy to control them.

• (5:20 p.m.)

It seems that humanity reacts to environmental hazards only when a crisis has been reached; we usually perceive the dangers of environmental pollution only when the hazards have become obvious through human illness, economic changes, obvious damage, or insults to aesthetic values which cannot be ignored. It is time we realized that the detrimental effects of environmental pollution are the ultimate distress signals and that the type of research which is recommended is necessary and highly desirable in order that these symptoms may be identified and suitable action taken before the failsafe stage is reached.

Some preliminary work has been done in the Department of National Health and Welfare, as the hon. member has mentioned, in the division of public health engineering, to indentify the areas in which research might be properly undertaken. In view of the fact that the country is in transition from an agrarian to urban population, traditional approaches are becoming more obviously inadequate. The concentration of population in the urban communities and the upsurge in industrial development have accentuated the deterioration of our environment, for instance, by raising grave problems of waste disposal.

The Department of National Health and Welfare has recognized the urgent need to develop a system to protect the total environment. Such a system, it is proposed, should involve closely integrated studies of methods of preventing, controlling and abating the pollution of all the elements of the environment—air, water and soil. Attention is being paid to environmental contamination by solid wastes. The department has been provided with a lengthy series of recommendations concerning areas to which research might well be directed. I should like to record them at this time. Research needs are identified in terms of management and regulation of disposal practices, disposal methods and environmental effects. Under the first category, it is suggested there is need for:

1. Comparative evaluation of existing solid waste disposal regulations in Canada; the assessment of need for uniform regulations; and the development of standards and criteria.

2. Feasibility studies for the development of a mathematical model or systems approach to waste management with special reference to design and operation of disposal systems.

3. Development of a blueprint for comprehensive surveys of wastes.

4. Assessment of legislative and enforcement problems, and the development of solutions.

5. Assessment of factors of solid waste disposal with particular reference to town planning, land utilization and management aspects.

6. Feasibility studies and assessment of factors related to (a) levy of a disposal fee on the sale of non-degradable and non-combustible containers and packaging materials, (b) establishment of a solid waste monitoring system, and (c) establishment of a system for the reclamation or salvaging of wastes of economic value.

7. Development of national guidelines for solid waste management in Canada.

The second general heading is Disposal Methods. Here again, we are certainly in need of further information, including:

1. Feasibility studies on pipeline transport of solid wastes, including solid wastes from water and sewage treatment plants.

2. Studies on composing of degradable wastes with special reference to fertilizer value.

3. Studies on methods of incineration of combustible, pathological, and radioactive wastes with a view to achieving their neutralization without at the same time creating an even more serious risk for the future.

4. Methods of sampling and analysis of solid wastes, particularly from urban areas.

5. Methods for collection, treatment and disposal of animal wastes including feed lots and livestock farms. Recent publications have indicated the serious damage to water courses and to underground water reservoirs by effluence from modern feed lot operations.

6. Methods for composting agricultural, vegetative refuse.

7. Methods for the disposal of solid organic wastes and determination of bio-degradability, with particular reference to wastes containing biocides.

8. Studies on sanitary land fill under varied conditions of location, construction, operation and post-operative utilization of land.

9. Studies on reclamation of non-degradable wastes and associated problems.

10. Research for the development of new kinds of packaging materials and containers.

The heading "Environmental Effects" recommends a number of studies in areas where more information is desired. These include:

1. Studies on microbial hazards of disposal of pathological wastes from hospital and clinical laboratories.

2. Studies on micro-organisms active in refuse decomposition.

3. Studies on factors affecting oxidative conditions of buried wastes such as moisture, temperature, nitrogen, phosphorus, minerals, etc.

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4. Studies on gas production and composition of gases from buried wastes.

5. Studies on composition of wastewater drainage from land-fill areas, and its significance in relation to water pollution at the surface as well as underground.

6. Disease transmission, and nuisance aspects of garbage disposal practices.

7. Studies on volatile constituents of refuse.

8. Studies on beneficial and detrimental effects of organic decomposition with special reference to soil and water quality.

9. Fate of biocides in composted agricultural wastes.

10. Chemical cycles and ecology of solid waste composting.

11. The impact of solid waste disposal on the total environment of man—studies on interrelationships of individual effects.

I trust that this lengthy litany of detailed items will satisfy the hon. member that the department has a broad, comprehensive interest in the question he has raised.

The hon. member mentioned that research programs being carried out in the United States were ahead of anything we have in Canada. It is my view that one of Canada's shortcomings in terms of the economy and its resources has been a reluctance to utilize the results of research done elsewhere.

• (5:30 p.m.)

There is an insistence by many Canadians that we must do basic research here which is, in fact, a duplication of efforts being exerted elsewhere. I would be most reluctant to see the government launch a research program nearly as comprehensive as the one indicated as being necessary, without having full knowledge of what is being done in other countries and of the savings we could make for our own taxpayers by using the research of others rather than undertaking our own.

At the same time, we do have very extensive areas which it is desirable we should pursue. It is quite possible that some of these areas are not being satisfactorily or adequately pursued in other countries. Then, certainly, Canada would have something to offer not only itself but the world through pursuing these areas. I do not think for a moment we should attempt—

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

The Acting Speaker (Mr. Laniel): Is the hon. member for Hamilton West (Mr. Alexander) rising to ask a question?

Mr. Alexander: Yes, Mr. Speaker. I am wondering whether I am right in assuming that the hon. Parliamentary Secretary has indicated that we must wait until the United States completes its research and develops the necessary solutions before we move into the same type of programs initiated there?

Mr. Mahoney: If I understand the hon. member correctly in the context of his motion, that research development programs should be instituted, then he indeed may be interpreting me correctly. I would be most reluctant to duplicate programs being carried out in the United States, in terms of research, simply for the sake of having our own programs. If that is the sense in which the hon. member asked the question, then certainly he has interpreted me correctly. On the other hand, I would not for a moment advocate a deferral of immediate action on research programs of our own in areas that are not presently being handled elsewhere. If on investigation of what other countries are doing we find that research is not being conducted, or we will not have access to the results of that research, we should initiate our own programs. I appreciate the hon. member mentioning that point because it emphasizes the conclusion to my remarks.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I should like to take a few minutes to endorse the motion currently before the House. I do not think there is any doubt that there has been too little national research and development in respect of proper and economic solid-waste disposal. There is also an absolute necessity for conserving the natural resources we have in abundance in this country. The problem in respect of solid-waste disposal is only part of the whole problem. It seems to me that governments over the years have failed to realize that population, pollution and resources must be taken together as components of a single and indivisible system. It does not matter what you do as far as population, pollution and resources are concerned, they are tied intimately with each other.

In the mad rush in this and other countries of the world to gain material things, I believe mankind has generally overlooked the need for recycling a lot of solid-waste materials which now constitute major pollution hazards. I should like to speak very briefly on this aspect of the pollution problem. When the last Apollo space flight took place and the astronauts were circling the moon, people in Canada and all over the world received with bated breath the news that the oxygen supply of the space ship was running out. Everyone followed with close attention the astronauts' struggle to get back to the safety of the earth. I point out that the earth upon which we live is a spaceship large in size but needing similar resources whether they be in the form of oxygen, pure water or minerals. If we waste these resources or get into trouble because of their misuse, we will find that mankind will have to pay a price in years to come.

Statistics are readily available to all who search them out which indicate that if all the resources we have knowledge of in the world today were put into immediate use, those people living in underdeveloped countries could never enjoy the standards we have today in Canada. There are just not that many resources to go around. Projections indicate that over a period of time an increasing number of these resources will be used in this nation and the nation to our south. This leaves us with a problem. What have we done, or what are we going to do to recover a great deal of the material which has already been extracted, for example in the form of minerals? Much of this material has been discarded by Canada and other nations. I will not take the time of the House today to give the time cycles regarding how long these minerals will last, but they are extremely limited. This is why it is so necessary for us to consider the question of solid-waste disposal and a program of salvaging material that in the past has been thrown away.

A tremendous amount of pollution arises from the extraction of new minerals to take the place of those which we are currently throwing away. Statistics indicate, for example, that as far as the pulp industry is concerned there would be no need for new pulp mills for a number of years if we salvaged the paper and waste material which comes from pulp. The tragedy is that in the wasteful society which has grown up around us we are causing further pollution by getting rid of waste paper. We burn it and thereby pollute the air and environment with toxic fumes. I am not going into this matter in any great detail because I would not like to see the motion talked out. I am firmly convinced that not nearly enough research is being carried on, despite the remarks of the Parliamentary Secretary. Not enough financial assistance is being pumped into these research programs. We must become more aware than ever that prevention is one of the keys to pollution control.

• (5:40 p.m.)

If we are to have abatement of pollution in this and other countries we must get down to the simple philosophy which ties pollution, population and resources together. If we do not integrate this program, I am afraid we will not be very successful in over-all pollution abatement programs so far as this or other nations are concerned. I urge the House to adopt this motion so that we may get at the basic cause of pollution in this country.

Mr. Maurice Foster (Algoma): Mr. Speaker, the motion before us this afternoon in the name of the hon. member for Hamilton (Mr. Alexander) reads as follows:

> That, in the opinion of this House, the government should initiate a national research and development program in respect of methods of proper and economic solid-waste disposal, including studies directed to the conservation of natural resources by reducing the amount of waste and unsalvageable materials and by recovery and utilization of potential resources in solid wastes; and provide technical and financial assistance to provincial and municipal governments and multi-governmental agencies in the planning, development, and conduct of solid-waste disposal programs.

As I read this motion, it would seem the hon. member is recommending that we undertake more research in respect of the problem of solid-waste disposal. I think we all recognize the urgency of such research. I am sure that this week hon. members opposite will wish to co-operate with regard to the government's reorganization bill so that we can establish the new department on the environment and renewable resources, because certainly co-ordination is required. Much of the research which has been carried on under the federal government has been funded by Central Mortgage and Housing Corporation.

Perhaps the new department on the environment and renewable resources would wish to fund and co-ordinate the activity which is taking place. Therefore, I am sure hon. members opposite will want to see this new department established and will co-operate fully in passing the bill this week so that the department will be able to get under way early in the new year.

This motion also envisages the provision of technical and financial assistance in respect of the planning and development of solid-waste disposal programs at the municipal level. The hon. member for Hamilton West, who spoke most eloquently this afternoon, told us all about the need which exists in our great metropolitan areas. I agree with him wholeheartedly, because many of our great metropolitan areas such as the city of Montreal still pour nearly 100 per cent of their raw sewage into waterways such as the St. Lawrence River. So the need exists in our large metropolitan areas, because even cities such as Montreal with the great financial resources they should have find it too expensive to establish proper sewage or even primary sewage treatment plants.

The problem also exists in the smaller communities of the country. Ontario, which perhaps is the richest province, still is not providing an adequate program for the small communities and the 1,000, 2,000 or 5,000 people who live in each of them in respect of establishing adequate sewage treatment programs. Some communities have such programs but most communities are being badgered by the Ontario Water Resources Commission to establish these facilities, when the proper amount of money is not being made available to them with which to establish the necessary facilities.

In many districts in my constituency, if the communities were to establish proper sewage and water treatment facilities the tax load would be doubled and in some cases tripled. These communities are left in a limbo situation in which the OWRC, which is the regulatory body concerned, is demanding that such facilities be provided so that the watercourses will not be polluted, but the necessary financial assistance is not being provided.

Perhaps through increased research we would discover ways to handle waste. Perhaps self-contained units of a recycling system could be applied to each house. This would mean that the cost of sewage treatment would be reduced and the smaller communities, which after all are just as important on an individual basis as the large metropolitan areas, would not be involved in tremendous additional cost.

Recently I read of a program, I believe in Japan, in which solid waste was incorporated into building blocks for construction purposes. This would seem to be a very permanent way to dispose of solid sewage waste. I believe that in the province of Ontario a program has been developed under which it is demanded that all garbage dumps throughout the province be licensed and controlled by the department concerned with pollution. This is to make sure that the dumps are not immediately adjacent to small streams or waterways which run into areas where the water is used for drinking.

In the province of Ontario a sanitary land-fill program is being developed so that garbage and solid waste produced by small communities is not only disposed of but is covered up so that it does not create an eyesore in the area. In Belleville, for example, there has been a very imaginative program involving sanitary land fill: they have been able to fill in a large marsh area and create a park. In this way, not only do you eliminate marshy, swampy areas which are infested with mosquitoes in the summertime, but you also create a park area which is of long-term benefit to the community. This is another way of disposing of garbage and solid waste while at the same time creating parkland or new industrial land for the benefit of the community.

I think the point made by the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) is very important. He suggested that we should not duplicate the research being carried on in the United States or in other countries. I think it is fitting that he should be concerned about costs, because that is the kind of Parliamentary Secretary to the Minister of Finance we want. We do not want a man who is a free spender and who would throw away the government's money; we want a man who will think of the cost to the taxpayers of this research.

• (5:50 p.m.)

Since the Parliamentary Secretary is quite alive, I do not think I should develop this speech into a eulogy; but I think it is very fitting that we should consider the question of economy because the federal government has responsibility for research in this nation. In most cases the provincial governments carry out the regulatory aspects of pollution control but the responsibility for research has always traditionally fallen on the federal government. It is therefore very appropriate that this motion be put before Parliament this afternoon so that hon. members can debate it. Certainly it would be the responsibility of the federal government to carry out this research if the motion were carried.

I do not want to be responsible for talking out the hon. member's motion, so I will conclude with the hope that when the motion is passed a suitable program will be developed to ensure that proper research is carried out into the problem of solid-waste disposal.

Mr. E. F. Whelan (Essex): Mr. Speaker, in talking on the hon. member's motion—

Mr. Alexander: Why?

An hon. Member: Let us have action.

Mr. Whelan: If the hon. member has to ask that question he has no business in this institution. I have had tremendous experience with the different departments in Ottawa that are concerned with this problem; that is why I feel I can talk on the subject and even go further than the thrifty Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) by telling hon. members that a

lot of research is being done. As was mentioned by the hon. member who just spoke, we are creating a new department which will bring all research under one roof. What the hon. member for Hamilton West (Mr. Alexander) is asking for will be done. I am sure he is aware that some areas of Canada have carried out a great deal of research into the processing of solid waste.

In my own area, including the city of Windsor and the county of Essex, every municipality will have put in either sewage treatment plants or lagoons by the end of 1971. I would say that it is probably much further ahead than any other area in Canada, not only with regard to the control of solid waste that comes from sewage treatment plants but solid waste that goes up from smokestacks or that we try to bury in the ground. Solid wastes include many products other than sewage, as was mentioned by other hon. members, and therefore could be recycled. There are many ways in which this can be done and, as the previous speaker said, we know that other countries are doing it.

I am sure the hon. member for Hamilton West is aware that research is being carried out at the institute at Burlington of solid waste coming out of Lake Erie and Lake St. Clair. This waste is composed of the richest soil and the richest nutrients that one can imagine. It also may contain some pollutants which we would not want in our plants if we are to use the product of the plants for human consumption. This waste could be treated and used in many parts of Ontario and many areas south of Lake Erie, especially the areas where open-pit mining was carried out. It has been suggested to me by people from Ohio that it would only take a short pipeline, about 400 miles long, to reach this horrible-looking landscape which has been pockmarked by mining, and waste could be pumped there to fill in the holes and turn the area into a parkland which could be used by humans.

A program of reforestation could then take place. We know what young forests can do to produce oxygen. Research carried out at the Burlington Institute of waste out of Hamilton Bay shows that vegetables grow twice as fast as normal when fertilized with this waste. The mineral content of these plants when harvested has not yet been analyzed, but it will be and the results are anxiously awaited. I do not know whether the standard of living in the Hamilton area is much higher than that in the Lake Erie area, but according to tests the wastes are much richer in content than the waste from cities which have no sewage treatment plants.

We also know that algae grows wild as a result of the tremendous fertilization in the lake. It grows ten times faster than it would under normal conditions. The algae continually adds a high protein content to the waste. We are dealing with a substance which is unknown to us because insufficient research has been carried out to determine how valuable it is. The very thing we condemn may turn out to be one of the best things we could use in many parts of our nation. It could be pumped back to make productive lands that have been eroded to such an extent that they are completely unproductive at the present time.

The Acting Speaker (Mr. Laniel): Order, please. It being six o'clock—

Mr. McCutcheon: Mr. Speaker, I rise on a point of order. You were probably going to notice that the clock was pointing to six o'clock, but I would like to draw to the attention of the House that one of the few democratic propositions remaining to the private member is private members' hour. This period is one hour long. Today private members' hour started at 5.08 p.m., and I deplore any effort, by accident or otherwise, to downgrade or shorten private members' hour. We on this side would not under any circumstances preclude any hon. member from speaking. I would therefore ask you, Mr. Speaker, not to see the clock so that members opposite can have an opportunity to complete the discussion.

The Acting Speaker (Mr. Laniel): As the hon. member knows, the Chair must abide by the rules of the House. Only by unanimous consent could we continue this sitting for a few minutes longer. Are hon. members agreeable to pursuing the debate?

Mr. Jerome: Mr. Speaker, I certainly hope there is disposition on the part of hon. members to giving unanimous consent to carry on for seven or eight minutes longer, to make up for lost time. But I should add that this afternoon we voted on an amendment put forward by an opposition member, and that the voting went past five o'clock. There has been no effort on the part of anybody to downgrade private members' hour. I believe members on the government side will give unanimous consent to extending the debate for another seven or eight minutes.

The Acting Speaker (Mr. Laniel): Is there unanimous agreement to continue the sitting for seven minutes?

Some hon. Members: Agreed.

Some hon. Members: Question.

Mr. Alexander: I rise on a point of order, Mr. Speaker. When you rose, Mr. Speaker, you were under the impression that it was six o'clock. You were quite right. Perhaps you were going to indicate to the hon. member for Essex (Mr. Whelan) that his time had expired, and if that is so perhaps you should do so now. That is the only point I have.

The Acting Speaker (Mr. Laniel): The hon. member for Essex (Mr. Whelan) still has the floor and has not completed the time alloted to him.

Mr. Whelan: If the hon. member for Hamilton West wishes to add a few more suggestions to his point of order, I am perfectly willing to allow him to do so if it will take up part of the time that I have been allotted. There are many more things I could say but I notice that two or three members wish to talk about the treatment of solid waste. Many hon. members may think that the

waste in the House today is not so solid, that it is probably in the atmosphere. Anyone who suggests we are not undertaking research in our country has not delved into the work of different federal departments. I repeat that what the hon. member has asked for is being done by the federal government in creating a department of the environment. We are putting all these people under one roof so that we can tell what research is being done on behalf of the nation, for the benefit and use of municipalities and for anyone who wants to take advantage of it. I am not going to say any more at this time, Mr. Speaker, but once again I would state that we are doing this, and will be doing it to a greater extent than ever in the past with the new department and with the minister who is to be in charge of it.

• (6:00 p.m.)

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, today we find the House at its best during private members' hour. It is in a constructive mood. Forward-looking, forward-reaching suggestions have been made on both sides of the House. I submit that the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) hit the nail on the head when he suggested that we should not embark upon a great research program, that we should not build up a great research task force costing hundreds of thousands of dollars when south of the border there is expertise available to us where untold amounts of time and energy already have been spent. In other words, we should collate the facts already available, we should investigate the work that has been done and we should urge that Canada make its voice more effectively heard at the United Nations in developing a world environmental policy.

An environmental conference is to be held in Sweden within the next year or so. Is Canada to be represented at that conference? Mr. Speaker, I am told by one of my colleagues that it is. I am glad to know that. Mr. Maurice Strong of Canada is the convener of this conference. This is the sort of step we should be taking, working with other countries on a universal problem and getting the benefit of all expertise in those countries through the United Nations, through treaties, through joint enterprise and the exchanging of evidence. To launch an individual program would be chaotic. It would be like trying to develop the expertise of the Japanese in cooking their native foods. We have not the techniques and the ability to develop an oriental approach to the matter.

I point out, Mr. Speaker, that in the Hamilton area we now have the Inland Waters Centre which the Liberal government finally established. I am proud to say it is one of the marvels of the world in examining clean-up problems connected with fresh water. Much has been done at the Inland Waters Centre. Experiments are going on; tests are being conducted; intelligent research of all kinds is being carried out at a practical level.

We should send a group of concerned people to the United States and to European countries simply to gather information already available there. Perhaps in the future this could be done by computers. I do not know if this is the type of information that can be gathered up simply and easily by engineers and experts, because here we are dealing with an area of scientific research as well as straight, factual research. In developing our techniques of gathering such information we must look first to the United States. What is being done in this regard in the United States appears to be accelerating. We have been critical of great cities like Detroit and Chicago for dumping their industrial spillage into the rivers and the Great Lakes. Apparently we are ahead of them in many respects.

But is not the problem in the United States more than a desire to do the job? Is not their weakness the fact that industry is too powerful for government to control? In other words, has not industry simply got the whip-hand over the individual? I think that in Canada there is a better balance. I think we are moving in the direction of pollution control in a planned, orderly way but without holding the big stick over industry. We are trying to get industry to co-operate. I think industry is gradually swinging into the spirit of anti-pollution techniques and even industries realize that if they do not—

The Acting Speaker (Mr. Laniel): Order. I regret to interrupt the hon. member. The House agreed unanimously to extend the private members' hour, but the time appointed for the consideration of private members' business now having expired, I do leave the chair. The House will resume at eight o'clock p.m.

At 6.10 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

CANADA GRAIN BILL

ESTABLISHMENT OF COMMISSION, PROVISIONS RESPECTING GRADING, LICENCES, ELEVATORS, ETC.

Hon. H. A. Olson (Minister of Agriculture) moved that Bill C-175, respecting grain, be read the third time and do pass.

Mr. Deputy Speaker: Shall the motion carry?

Some hon. Members: Agreed.

Mr. G. W. Baldwin (Peace River): Don't be too hasty, gentlemen. Mr. Speaker, before we get into the substance of this bill I find it my painful duty to bring to the attention of the House, and particularly the government, a very fatal omission in the bill. I must lay the foundation for my point by reciting some parts of the bill. Clause 108 purports to amend and change, and to some extent repeal, section 11 of the Prairie Farm Assistance Act, which provides as follows:

Where any licensee—

That is, a licensee established in the act.

—becomes liable to the penalty imposed by subsection (10)—

Subsection (10) provides for a penalty where a licencee fails to comply with certain provisions of the act.

—the commission shall, by order, require the licensee to pay the penalty to the commission—

I ask Your Honour to bear those words in mind.

—to the credit of the Receiver General.

Subsection (12) provides:

An order made under subsection (11) is enforceable and may be appealed—

Subsection (13) provides:

Notwithstanding subsections (11) and (12), the commission may waive all or any part of the penalty imposed by subsection (10) in any case where, in its opinion, the circumstances so warrant.

This particular clause also drives us to consider clauses 79, 80, 81, 82 and 83. I will not take the time of the House by repeating those, but they provide that the penalties fall into the hands of the Queen in right of Canada. What we see, because of those two clauses being taken together, is a provision for penalty. There is provision that such penalty becomes the property of the Queen in right of Canada, and there is provision that the Canadian Grains Commission which is purported to be created by this act can waive the penalty.

With that as background I should like to point out to Your Honour that it is a principle of parliamentary law that where a bill affects the Crown prerogative in any particular, the consent of the Crown must be given by a Privy Councillor prior to or at third reading and passage stage. In other words, it is quite competent for the government to debate this bill as they have and take it through first reading, second reading and report stage before the bill is given third reading and passed. But I propose to convince the Chair and, hopefully, members of the House that through the medium of a Privy Councillor there must be the consent of the Crown to this particular disposition of the prerogative which normally belongs exclusively to the Crown.

There are a number of authorities for this. I would first bring to Your Honour's attention some extracts from May's Parliamentary Practice. I refer to the decision of the Speaker on the protest of the leader of the Legislative Council of the province of Quebec. The extract I have is dated April, 1885, and deals with a decision given by Mr. Speaker in the following words:

Bill (No. 87) intituled: "An act to amend chapter 27, of the Act 46 Victoria... be now read a second time, and objection being taken by the Honourable Mr. Flynn that the consent of the Crown was necessary to continue to deliberate upon this bill:

Mr. Speaker ruled as follows:

An objection has been raised that the question for the second reading of this bill cannot be put, because the bill is one for which the consent of the Crown is required and because the same has not been signified.

The recommendation of the Crown is necessary for all resolutions or bills involving grants of money, while the consent—

As distinct from recommendation.

—of the Crown, is required for bills which concerns its rights, patronage, or prerogatives.

I think there is no question, Mr. Speaker, that the right to waive a penalty—the penalty is in the form of moneys payable to the Crown in right of Canada—cannot be assigned to an individual or a corporation to deal with unless and until the Crown has signified its consent in the usual manner, in this case in the House by consent of a Privy Councillor. I waited and hoped that this government, despite its disregard for the rules of parliamentary procedure and its detachment and contempt for the parliamentary process, would not have omitted the very substantial requirement necessary to make this a good bill.

The example I have just given is a provincial precedent, but I have gone far back and there are others. The U.K. Commons Journals, volume 166 (1911), 8th August, at page 390, reads:

A motion being made, That the Great Yarmouth Port and Haven bill be now read the third time;

The Deputy Chairman, by His Majesty's command, acquainted the House that His Majesty, having been informed of the purport of the bill, gives his consent, as far as His Majesty's interest is concerned, that the House may do therein as they shall think fit.

A later precedent in U.K. Commons Journals, volumes 202-204, 1946-49, 21st July, 1949, at page 323, reads:

A motion being made, That the Dover Harbour bill be now read the third time:

Mr. Secretary Ede, by His Majesty's command, acquainted the House, That His Majesty, having been informed of the purport of the bill, gives his consent, as far as His Majesty's interest is concerned, that the House may do therein as they shall think fit.

• (8:10 p.m.)

Not many years ago, on July 14, 1959, I had occasion to be in this House when Hon. Ellen L. Fairclough, who was then Minister of Citizenship and Immigration, moved the second reading of Bill S-6, which was to confirm an agreement between the government of Canada and the government of the province of New Brunswick respecting Indian reserves. That matter involved Indian reserves and lands in which the Crown had an interest and which had been disposed of by the federal government. For purposes involving the title of the people who had purchased the land, it was necessary to enter into an agreement between the two governments involved and to confirm what had been done by act of the Legislature of New Brunswick and of the Parliament of Canada. The matter is recorded in the following way on page 5960 of *Hansard* for July 14, 1959:

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration) moved the second reading of Bill No. S-6, to confirm an agreement between the government of Canada and the government of the province of New Brunswick respecting Indian reserves.

She said: Mr. Speaker, His Excellency the Governor General, having been made acquainted with the purpose of this bill, has given consent so far as Her Majesty's property rights are concerned, that the house may do therein as it shall think fit.

By virtue of section 22 of the Financial Administration Act, our Parliament has given to the Governor in Council the right to waive certain penalties under certain conditions. That right is given to the Crown's representatives. It is given by virtue of an act of Parliament with respect to which the consent of the Crown had to be given in the first place. Here we have a situation in which a money penalty may be assessed against individuals or corporations. Therefore, moneys which would normally belong to the Crown in right of Canada may be disposed of to the Canadian Grain Commission. I recognize that Parliament can do this; nevertheless, because these are moneys at the disposal of the Crown, the consent of the Crown must be given.

The Minister of Agriculture (Mr. Olson), or the President of the Privy Council (Mr. MacEachen) who I am sure is knowledgeable in this matter—I see him nodding and therefore I am almost certain that he will agree with what I have to say—may signify that consent. Either of them may say, "I have been in touch with His Excellency, who has been graciously pleased to say that the Crown gives its consent to disposing of assets in the form of money or, in some instances, to waiving the penalty." Until that is done, I submit that the government cannot proceed as it now seeks to proceed. I have a large number of precedents to fortify my argument. Until that is done, I submit that even if the government were to proceed with this bill and even if Parliament were to give it third reading, the bill would be null and void. It is not null and void at present because only at final passage does this consent becomes absolutely essential.

There are some good points to the bill. Like most government measures, it is not very effective, but it has some good features which we feel might be passed. As the hon. member for Crowfoot (Mr. Horner) said earlier, some aspects of the bill are bad. The government, of course, approaches many of its measures like an old man approaching a young bride, full of fascination and apprehension, yet sluggishly. Nevertheless, because there are some good aspects to the bill we are prepared to pass it. But we want to see it passed in the proper form.

Your Honour may want to consider this issue. I could cite a great many precedents. I will not take up the time of the House by so doing because I am sure the President of the Privy Council, supported by the Minister of Agriculture, will say that the government is prepared to proceed with third reading now and that it will obtain the approval of His Excellency, on behalf of Her Majesty, by tomorrow.

I should like to quote one or two brief authorities. May's Parliamentary Practice, Seventeenth Edition, at page 615 reads as follows:

> In the case of bills which affect the royal prerogatives—

The royal prerogatives include the right of waiving penalties, of granting commutations, and so on.

> —a more complicated formula is employed, varying slightly to suit the circumstances of each case, and including the statement that the Queen places her interests at the disposal of Parliament—

> The Queen's consent is signified by a Privy Councillor, but the communication of the fact that the Queen has placed her interests at the disposal of Parliament is made orally, generally by a minister of the Crown.

Beauchesne's Fourth Edition reads as follows at page 231; I am quoting from citation 283:

> The consent of the King or Queen, as the case may be ... is given by a Privy Councillor to bills ... affecting local and personal interests which concern the royal prerogative—

And so on. In this bill the government is attempting to dispose of moneys which normally are at the disposal of the Crown in right of Canada. That may only be done after there has been given in this House a statement by a Privy Councillor that the Governor General has given his consent to it.

Hon. H. A. Olson (Minister of Agriculture): On a point of order, Mr. Speaker, I am sure the hon. member for Peace River (Mr. Baldwin) is well aware of the fact that when this bill was first introduced into the House during the present session, there was a recommendation from His Excellency.

Mr. Baldwin: Oh, yes.

Mr. Olson: I think only a few days ago His Honour ruled that the recommendation is an indication that His Excellency has seen the bill and recommends it to this House, and that any further action in this regard is unnecessary. I should also like to draw to Your Honour's attention, while raising this point of order, that the provisions the hon. member alluded to in clause 108 are to be found also in the Prairie Farm Assistance Act. Those provisions are the same with respect to penalties and the remission of penalties and are to be found in section 11 of the Prairie Farm Assistance Act. Therefore, there is no change in those provisions. I think Your Honour will recognize that this is—I was about to say a phony argument but I will not say that.

Mr. Baldwin: I wouldn't, if I were the minister.

Mr. Olson: Well, it is a redundant argument which has no place in this situation.

Mr. MacEachen: It is a yuletide argument.

Mr. Baldwin: On the point of order, Mr. Speaker. I thought I was presenting a valid, effective and useful argument and I was sorry my previous argument was dismissed by Mr. Speaker. Nevertheless, there is no comparison between that argument and the point I am now trying to make. It is true that a recommendation was brought in, but that recommendation is related to the spending of money. What I am now saying is that this bill contains clauses which interfere with the prerogatives of the Crown with respect to the waiving of penalties and fines. There is a distinction between the two points. I am sad indeed that the Minister of Agriculture has missed the point, because I thought I had submitted a fairly good argument.

Mr. Olson: Further to the point of order, Mr. Speaker, I have been here for 11 or 12 years and never before have I heard the argument raised by the hon. member.

Mr. Baldwin: The minister can always learn.

Mr. MacEachen: It is a yuletide argument.

Mr. Olson: It must have been presented as a result of the Christmas spirit.

Mr. MacEachen: Does the hon. member agree that the bill shall be carried?

Mr. Baldwin: Come, come; my Christmas spirit does not take me quite that far.

Mr. Deputy Speaker: Order, please. I have listened to the hon. member for Peace River (Mr. Baldwin). I must say that his is an ingenious argument. I think I have followed it. I should like time to consider the references and authorities which the hon. member cited. In regard to the rebuttal argument of the Minister of Agriculture (Mr. Olson), I can see the distinction that he makes, that the point of order raised by the hon. member is covered by the recommendation of His Excellency. I admit to hon. members that this point may be clear to others more learned and with more experience than me. I would ask hon. members to give the Chair time to consider the point and rule on it later.

• (8:20 p.m.)

Mr. Baldwin: That would be all right, Mr. Speaker. I suggest that the Minister of Agriculture might consider discretion the better part of valour. He might be able to approach His Excellency tomorrow in order to get the required consent.

Mr. Deputy Speaker: Is it agreed that the debate be adjourned by unanimous consent?

Some hon. Members: Agreed.

Mr. Baldwin: The debate might continue, and before the question is finally put on third reading Your Honour may have had an opportunity to consult the eminent and wise men with respect to this issue. If it is satisfactory to the government, the debate on third reading could continue. Hopefully, Your Honour will reach an affirmative conclusion in respect of my point of order before the question is finally put.

Mr. MacEachen: I think it would be better if we continued the debate. When the debate is ended we can postpone the question on third reading until this point of order has been resolved. When it is resolved we can put the question.

Mr. Deputy Speaker: Is it agreed that the debate continue and that no final determination be made until the point of order has been dealt with?

Some hon. Members: Agreed.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, this grains bill, C-175, has been thoroughly examined in committee. Many useful amendments have been made and I think the bill is better as a result. If the government had accepted the amendment of the hon. member for Crowfoot (Mr. Horner) this afternoon, the bill would have been considerably better.

The immediate urgency of this bill is in the necessity to upgrade the act so that protein grading will be a factor in making our sales of wheat more acceptable to all countries. Although it seemed on the initial examination that this would be simple, the recent appearance of the Board of Grain Commissioners before the Standing Committee on Agriculture indicated that although grading of grain by protein analysis is relatively easy, with large quantities it becomes extremely difficult to transfer the payment of this to the individual producer. It appears that on pay-out to the producer, the Wheat Board may only be able to make payment on the delivery point basis. It is obvious from the testimony of the Board of Grain Commissioners that it will probably be a long time before individual producer payments for quality of protein will be perfected.

If under this new act protein grading is to be a major factor in our wheat sales, presumably a new set of variables will be introduced as far as payment to the individual grain producer is concerned. Insofar as the final status of the application of protein grading is concerned, it remains obscure and unsettled. The government, particularly the Department of Agriculture, will be charged with the grave responsibility of administering the act in the interest of the producers and with respect to the saleability of our wheat.

The new bill, in a general way, seems to give the government board the authority to control and direct the day-to-day operation of grain elevators. During the representation made by both the line elevator companies, those privately-owned and the farmer-owned companies, I sensed that this possibility was uppermost in their minds. Some restrictions have been placed on the wide general authority envisaged in the original bill. Many clauses of the amended bill will give the board authority beyond that which should be necessary. It is, of course, true that the wide powers specified in the bill will not be particularly restrictive if the regulations under which the act will be administered are reasonable and efficient. I believe it would be in the interest of the government and the grain trade if there were a certain amount of consultation with the farmer-owned elevator systems and the private systems with regard to the possible effect of the regulations.

In submissions presented by the Manitoba and Saskatchewan pools with regard to the white paper on tax reform, they indicated concern about possible changes in taxation proposals that would be of some significance in the future. There is no doubt that a massive amount of capital will have to be injected into the grain handling facilities of the elevator companies in the not-too-distant future.

To some extent the grain trade has been existing on capital and handling facilities expended many years ago. It is important that under the proposed tax reform laws

enough capital be injected into a rebuilding program in order that the grain trade will remain viable. The low price for Canadian grain on the world market makes it imperitive that our handling and transportation costs be kept to a minimum. In conclusion, this bill seems reasonable. It is an improvement on the orignal bill presented to Parliament last spring.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I rise to take part in the debate on third reading of this grains bill. I wish to point out that we must assess the whole situation. The reason the bill is only being dealt with at this late date is summed up in the submission to the Standing Committee on Agriculture by the United Grain Growers. The submission was made on May 27, 1970, in connection with the original Bill C-196. I quote from the submission:

> The Canada Grain Act Relative to National Policy.
>
> If one of the main purposes of the Canada Grain Act is to foster increased grain trade, should not extension changes in the act be delayed until a national grains policy has been defined? We are thinking here of the report of the federal task force on agriculture. For the first time in our history we have an overall grain policy recommendation in writing; one which farmers and Members of Parliament will criticize and rewrite. Presumably this report will form the basis for a new national policy for agriculture. We cannot help but wonder if a major change in the Canada Grain Act, as proposed by Bill C-196, is not an attempt to do things right before it is decided what is the right thing to do.

I repeat the last sentence:

> We cannot help but wonder if a major change in the Canada Grain Act, as proposed by Bill C-196, is not an attempt to do things right before it is decided what is the right thing to do. We would, therefore, request delaying passage of the bill.

This submission was made to the Standing Committee on Agriculture by the United Grain Growers of Canada. The president of the United Grains Growers, Mr. Runciman, chairman of the Canada Grains Council, an eminent body established to advise the Canadian government with regard to a correct formula for grain handling. On page 5 of the submission they sum up the reasons this bill is taking so long to pass. They explain why the bill has had so many amendments in committee and why it has not yet passed the House of Commons.

The bill is really a measure which sets out clearly the powers of the Board of Grain Commissioners. It states, in effect, that the rights of producers shall be protected; that their wheat will be fairly graded and accurately docketed; that they will be credited with accurate shrinkage. In essence, the board is the policeman which supervises the marketing of the farmers' grain, and generally speaking over the years it has done a good job. I have no complaints and I do not think the committee had many complaints on this score.

In the last session of Parliament, Bill C-196, as it was then called, was subject to a number of amendments. I have attempted to count them; there were well over two dozen. The number depends, really, upon what is taken to be a full amendment: can each amendment to an individual clause be counted, or should several amendments be grouped together and counted as one? In any event, some two dozen clauses were amended during that session of Parliament.

• (8:30 p.m.)

In the present session, five major amendments were made, the first being to clause 11. This clearly restated the objects of the Board of Grain Commissioners. According to the old bill, the objects were to protect the rights of producers. In the new session of Parliament the committee saw fit to spell out in the objectives clause of the bill the provision that the directives issued by the Governor in Council or by the committee should at all times be in the interest of the grain producers. To my mind, this is a substantial amendment. From that point on—I am paraphrasing the words of clause 11 to be found on page 12 of the bill—no direction can be made by the commissioners, the Governor in Council or the minister other than in the interests of the producers. This is one of the substantial amendments made this session which I wholeheartedly applaud and which the committee wholeheartedly supported.

Another substantial amendment was made to clause 12. I am sure the former president of the Manitoba Wheat Pool, Bill Parker, will be pleased to see it. He presented a brief in opposition to clause 12 (d) which gave the Board of Grain Commissioners power to operate any elevator, primary or otherwise, in competition with the grain companies now in the business. The amendment accepted by the committee, and the rearrangement of the amendment accepted by the House, makes it clear that the government is not to be placed in the position of operating primary elevators. As I say, I am sure the former president of the Manitoba Wheat Pool, an eminent figure in the handling of grain, will be pleased to see the amendment accepted today in the bill before us. I am sure Bill Parker will be pleased to see that the House of Commons has declared that the government cannot get into the business of operating primary elevators.

The next amendment approved by the committee was moved by a government supporter and was to clause 15 of the bill. In essence, it states that grade changes can be made readily, but that basically no change which is made shall decrease the value of the grain unless some special reason exists for doing so; the value of the grain must be maintained or enhanced by the change in grade unless an extraordinary case arises.

As a result of a further amendment, clause 38 was changed to exempt a licensee from having to take out insurance protecting him in the event of an act of God or the Queen's enemies. This did not completely meet the wishes of the opposition but it went part way toward bringing the bill into relationship with the protection provided under the old grains legislation. In accepting this amendment the committee merely excused a licensee from having to obtain insurance against acts of God or acts of the Queen's enemies.

The other major amendment gave a producer or a given company which had bought grain the right to appeal the grading given to the grain, whether or not the grade given was in respect of what is called visual characteristics or non-visual characteristics. In the bill as it

was ready to be passed last session, the producer or grain company could appeal only with regard to the statistics which pertained to the visual characteristics of the grain. The committee said this did not go far enough and that account must be taken of a non-visual criteria such as protein content. I was pleased to see the committee accept this amendment also.

This bill has had unique parliamentary experience, Mr. Speaker. It was first brought in as far back as last February or March. It went to the committee in early June, and politicians were whipped into supporting it by the prospect that were it not supported protein grading could not be implemented immediately and our grain sales would fall off tremendously. In fact, this did not happen. However, this was the prospect held out across the country to politicians and producers, in an attempt to secure passage of a rigid bill which at one time gave powers to the Board of Grain Commissioners to bring about a greater degree of rationalization in the grain handling system as an authoritative body. Protein grading was the carrot.

• (8:40 p.m.)

Politicians were whipped into action to support the bill because we had to have protein grading. Protein grading was needed because sales could not be made on the international market without it. The bill received slow passage, but in spite of that fact sales increased and we were told early in August that we were faced with a substantial movement of grain at the Lakehead and in Vancouver, and everything had to work at capacity or we would not meet our commitments. This only points up the fact that governments are not above attempting to use politics to put forward legislative concepts or ideas in proposed legislation.

One might well ask what was the real intent and purpose of this bill. It certainly was not strictly to implement protein grading or reinstate the Board of Grain Commissioners, because the old bill never expired. This bill was implemented in its initial form for the one reason, to help speed up or bring about an authoritative body to use government powers to expedite the evolution of our grain handling system on the Prairies, with a resulting saving to the railway companies. I say this only after an exhaustive study of the bill and a careful analysis of the evidence of witnesses and the briefs submitted.

Let me quote from a brief presented to the Standing Committee on Agriculture on May 28 by George H. Sellers of the Pacific Elevators Company and the North-West Line Elevators Association. The brief referred to Bill C-196 which was identical in form, except for the last two clauses, to Bill C-175. The brief has these words on the first page:

—Bill C-196 delegates to the Canadian Grain Commission complete authority to determine which community in western Canada will live and which community in western Canada will die.

He was speaking of rural communities and delivery points. The brief continues:

R. J. Shepp, special adviser to the grains group attached to the Honourable Otto Lang, minister responsible for the Canadian Wheat Board, envisaged in a speech in Winnipeg just a few weeks ago that the country elevator system should consist of only 20 to 40 country elevators in place of 1,800 shipping points now in operation on the Prairies.

I cannot emphasize those words too strongly because they spell out the situation. When questioned by members of the committee on this point, a number of government authorities shugged it off and said that a reduction to 20 or 40 was too great and that it probably would be reduced to 100 points. The hon. member for Assiniboia (Mr. Douglas) quite gleefully said that some delivery points had to go because there were too many. The hon. member for Rosetown-Biggar (Mr. Gleave), who is not in the House tonight, said it stands to reason that a lot of delivery points would disappear. I feel that as a result of evolution, many delivery points will disappear.

As a representative of a rural region, I will not for one minute let 1,800 delivery points be reduced to somewhere between 20 and 40, or even 100. This is ridiculous on the part of bureaucracy. Surely no one representing a part of rural western Canada could buy that theory. This does not matter a hoot to any representative of rural eastern Canada. Many of them just laughed and added whatever contribution they could to the serious study of this bill by the committee.

There is no doubt that in the next few years, perhaps 10 or 20, evolution will reduce the number of delivery points from 1,800 to perhaps 1,000. Western farmers have not forgotten their democratic rights and how to express them. They will not allow any bureaucracy to reduce this number to such an extent. Such a thought is sheer nonsense on the part of the minister piloting this bill and the minister in charge of the Canadian Wheat Board. I cannot help remembering the words of the president of the United Grain Growers, who when referring to this bill asked whether it was not an attempt to do things right before it was decided what was the right thing to do. We should request a delay in the passage of this bill, because tonight we are in its final stages and we do not yet know what is right.

There have been a few studies of the grain handling system in western Canada. One was chaired by the president of the Saskatchewan Wheat Pool. Another commission was set up by the Canadian Wheat Board under the minister from Saskatoon. Another study was made by Menzies, who gathered together some of the world's experts on wheat handling as well as some importers from Europe and representatives of export agencies in Canada. These authorities are to advise the government what the Canadian Wheat Board should be doing, how it should be changed and how Canadian producers should be marketing and handling grain. I understand their proposals will be submitted to the minister early in the new year, yet we are tonight considering passage of this bill before having an opportunity to receive the views of these people who have made an exhaustive study of the grain handling situation. The Standing Committee on Agriculture has seriously studied this bill but has been denied the advice of these experts. Are we not really putting the cart before the horse? One can only assume that we are doing just that.

The committee heard from witnesses with great knowledge and ability in the handling and marketing of Canadian wheat in particular. That committee, under the Minister of Agriculture (Mr. Olson), the chairman and government henchmen, denied the repeated requests of members of the opposition to have representatives of the Wheat Board appear. I do not know what they were afraid of. Western newspapers have given the Minister of Agriculture, the minister in charge of the Wheat Board and the Prime Minister (Mr. Trudeau) a great deal of credit for appointing the former chairman of the Wheat Board to the other place. Mr. McNamara is knowledgeable in respect of grain handling. I would not in any way detract from the reputation which he has built. Western farm papers repeatedly referred to him as being a great contributor to our parliamentary system. He has been referred to as a man with a great grasp of the agricultural marketing system and one who could contribute his knowledge to the legislative processes of Parliament.

The committee proposed that Mr. McNamara be requested to appear. A vote was taken, and the chairman of the committee broke the tie. The government members thought it was nonsense. They indicated Mr. McNamara was appointed to the Senate to get rid of him and they did not want to take advantage of his knowledge of the situation. The chairman—and I acknowledge his wisdom and his spirit of co-operation—voted in favour of having Mr. McNamara appear, but lo and behold, when Mr. McNamara was consulted he declined to appear. The very next day he went to Regina and spoke about the danger of our losing barley sales unless the farmers were prepared to sell it to the elevator companies. He also spoke about the great danger facing the Wheat Board today. Yet he failed to appear before the agricultural committee. This is a man whom I have admired over the years. I have appreciated his wisdom and experience. He has done a disservice to Parliament by failing to appear before the committee. I know he could have contributed a great deal to this situation.

• (8:50 p.m.)

A grave situation faces western Canada. Two concepts very vividly stare the farmer in the eye in respect of the marketing of grain. There is the initial concept enunciated by the president of the Alberta Wheat Pool some time ago when he spoke at the annual convention; he said there is the concept of building up the inland terminals to which the primary elevators would deliver their grain by truck or rail. The full train or unit train system would be used to deliver grain from the inland terminals to outport terminals such as Vancouver and the Great Lakes. The unit train system would be established, farmers would deliver to the primary elevators and the railways would deliver from there to the inland terminal. This is the one concept that was outlined.

The other concept was that the primary elevators eventually would disappear completely and the farmer would deliver to the inland terminals. That would automatically increase the cost of transportation for the farmer. By means of the other system, the railways would absorb the cost through a great deal more mechanization. These two systems were clearly enunciated. These are the two systems which were incorporated in clauses 34 and 36 of the grain act. Wisely, the committee brought in amendments to those two clauses of the bill which would make it more difficult for the Board of Grain Commissioners to enunciate those ideas.

I believe we are debating a very important principle. Under clause 36, the provision in respect of the licence to an elevator was reconsidered. Under clause 44 the question of type and size of elevator was thoroughly discussed. Clause 34 was also thoroughly discussed. The Committee considered that these clauses would bring about greater rationalization of the grain handling system. The committee wisely recommended that the word "type" was all right when applied to elevators and equipment, but that the word "size" should not apply to elevators in particular but only to handling equipment in the elevators.

I can only hope that attention will be paid to the situation which is prevalent throughout western Canada. It would appear to be evident that the government is attempting to save money by a reduction in the amount of grain in storage. It is common knowledge that the elevators are now operating at less than 60 per cent of capacity. I shall give you, Mr. Speaker, the minister and the House figures to illustrate what I am saying. The Manitoba grain elevators today have 24.1 million bushels of grain in storage. In 1969 at this time of year they had in storage 45.1 million bushels. Their total capacity is 52 million bushels.

This is a deliberate attempt to reduce storage so that on July 31 or August 1 next year the amount to be paid out by the government in cash to western producers can be greatly reduced under the Temporary Wheat Reserves Act and the money spent in other provinces. I need not mention in which other provinces. Let us look at the situation in Saskatchewan. The present holdings are a little better. There are 155 million bushels in Saskatchewan today. The amount in storage a year ago was 170 million bushels. The total capacity in Saskatchewan is 210 million bushels. In Alberta, basically the same situation holds true in respect of reduced storage as for Manitoba and Saskatchewan. In fact, it is the policy of this government to keep the storage at 60 per cent of what it was a year ago. If this policy is continued, there will be in the order of $200 million less in the pockets of the farmers next July 31 or August 1. This is not deliberate thievery but it is deliberate deception by the government to prohibit farmers delivering their grain.

I see the Minister of Agriculture with a smug look on his face. He is capable of this. The point is that if this is not deliberate policy, why is the quota not increased in Manitoba, Saskatchewan and Alberta? It is not increased because they want to have vacancies so that the elevators will operate at 60 per cent of capacity or less. Today in Manitoba the elevators are operating at less than 50 per cent of capacity. The present storage is 24 million bushels and the capacity is 52 million bushels. The point is explicitly spelled out. This government wishes to reduce the cost under the Temporary Wheat Reserves Act. The government is not worried about the farmers. Members

of the government believe they can bring the farmer to his knees to the point where he will leave the small farm or the big farm, or reduce him to the point where he must accept the guaranteed income the Minister without Portfolio in charge of the Wheat Board (Mr. Lang) proposed on October 29 to this House.

I do not believe there is any argument to substantiate the suggestion that elevators can operate more efficiently at 60 per cent of capacity. I know an elevator should keep one or two bins empty in order to facilitate the movement of grain within the elevator, but no elevator which operates efficiently needs to have 40 per cent of its space empty. No real argument can be made in that regard. There is no doubt in my mind that this government is going well out of its way to bring about a general weakening on the agricultural scene. Clauses 71 and 97 of the bill were very carefully examined by the committee. I attempted to introduce an amendment to clause 97 so that the farmer would have the right to deliver to the elevator of his choice or to load over the platform.

It is commonly agreed that with the concept of reducing the efficiency of an elevator to 60 per cent of its capacity, the government will automatically increase handling charges through the Board of Grain Commissioners. One of the first things they will do within the next three months is to increase the handling charges of elevator companies. Mark my words, Mr. Speaker—I notice the Minister of Agriculture is paying careful attention—one of the first things done by the Board of Grain Commissioners will be to increase the handling charges of elevator companies. They may not reduce storage charges, but by increasing handling charges they will encourage greater handling and less storage revenue for the elevator companies. I notice that the hon. member for Assiniboia is attempting to make a remark. It is too bad he could not make it this afternoon when his famous amendment was before the House.

• (9:00 p.m.)

Some hon. Members: Oh, oh!

Mr. Horner: I am sorry, gentlemen, but I have ten minutes left and you will just have to listen to me. The Minister of Agriculture did not have enough faith or did not trust sufficiently the hon. member for Assiniboia to allow him to explain the amendment that was in his name. It was an attempt by the minister to discredit the hon. member for Assiniboia.

Some hon. Members: Oh, oh!

Mr. Horner: The first thing this government will do is allow the handling charges to be increased. What effect will that have? Basically, it will encourage grain companies to increase their handling charges and reduce their storage. A number of things are taking place on the grain scene today. We have the announced policy of the minister in charge of the Canadian Wheat Board, made on December 9 and followed by 200,000 pamphlets, at a cost of something like $50,000, encouraging producers to accept the new concept. The farmers have yet to buy the idea. The Canada Grain Act should spell out exactly what the grain policy is. It fails to do so, and in fact it attempts to hide the basic issues facing Canada.

There is no question in my mind that the Temporary Wheat Reserves Act should remain in force. However, its effect should be reversed so that instead of farmers paying storage on the first 178 million bushels they should pay storage on the last 178 million bushels in commercial storage. The government should assume the responsibility of our being in a volume market. Producers and salesmen must have their product on the shelves and it must be for sale. If the average amount of grain in storage has been 400 million bushels in past years, we should be prepared to put 400 million bushels of the shelf and keep it there.

One of the things that has most hurt Canadian sales over past years has been the long and loud cry of the Minister of Agriculture and the minister in charge of the Canadian Wheat Board that our surpluses are hurting our markets. They are only hurting our markets when we are complaining about them—not when we joyfully carry them. Nobody complains about the amount of pork and beans on the shelves of warehouses across Canada. Wheat is a commodity for sale and we have to meet our commitments by making large volume sales. We must be prepared to carry it on our shelves to meet large sales.

Protein grading is a non-visual criterion to which we must pay attention. Our international markets dictate quite emphatically that we must be prepared to carry, if necessary, more rather than less grain on our shelves because there will be more varieties of grain; there will be No. 2 grain with three criteria for protein content, either less than 13 per cent, above 13 or 14 per cent. In other words, there will be more varieties of grain for sale and therefore we should have more products on the shelf. That is the essence of protein grading of wheat for our international sales. Therefore, the concept that the government should refrain from paying part of the storage is completely wrong. In fact, storage charges should be reduced.

The present legislation sets out that producers pay for the first 178 million bushels and the government pays anything thereafter. This should be reversed. I suggest that the government should pay storage on the first 400 million bushels in storage and the farmer should pay for the rest. This would bring about a degree of continuity and would discourage the weak-kneed, bleeding ministers who cry out. To paraphrase the words of the Prime Minister, this would discourage the weak-kneed, bleeding Minister of Agriculture and the minister in charge of the Wheat Board from crying out and lamenting aloud about our surplus. The idea is that if the government paid the storage on the first 400 million bushels it would discourage the weak-kneed, bleeding-nosed ministers who cannot convince members in their own camp.

The second proposal that should be rejected by the House concerns our general grain policy. I refer to the proposal that the producer should pick up the losses of the annual pools of wheat, oats and barley. What kind of

foolish criterion would this establish? If a farmer were to receive a high price today, his neighbour would grow barley tomorrow to pick up his friend's or neighbour's losses of yesterday. To me this is nonsense. It should be automatically and categorically rejected in devising a new policy for the handling of grain.

The minister in charge of the Canadian Wheat Board announced on October 29 that losses due to sales made on long-term arrangements below the commercial rate of interest should be passed on to pool accounts. This, also, is sheer nonsense because it would encourage poor salesmanship; it would encourage salesmen to sell a product and pass on the losses to a third party. I have always believed that good salesmen can substantiate the case they are making. Losses being passed on to pool accounts would further encourage dissatisfaction among good customers who buy grain every year at the commercial rate when other customers buy at a lower rate. The loss is then passed on to the producer. The salesmen, in this case the government, would be doing a great disservice to the Canadian farmers. I believe that this policy should be rejected categorically.

Next we come to the stabilization plan. No government should put forward a concept according to which producers are guaranteed, on an individual basis, a formula worked out on a national basis. According to this policy—

Mr. Deputy Speaker: Order. I regret to advise the hon. member that the time allotted to him has expired.

Mr. Horner: May I conclude my last sentence, Mr. Speaker?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: There is not unanimous consent of the House.

Mr. Horner: I did not know that my remarks were so cutting that government members would not allow me to continue.

Mr. Deputy Speaker: Perhaps hon. members would grant me their indulgence for a moment. The hon. member for Peace River (Mr. Baldwin) at the beginning of this evening's session raised an interesting point of order with respect to the matter of royal consent and whether or not it was required in the bill now before the House. I asked hon. members if they would grant me the opportunity to look at some authorities. I now have had that opportunity and, if I may, I would like to rule on the point of order raised by the hon. member for Peace River and to thank him for a very novel and ingenious argument.

• (9:10 p.m.)

My concern, among other things, was in keeping straight in my mind the distinction between the point raised by the hon. member for Peace River with respect to the occasion when such consent is required, as he argued, and the occasion when a recommendation might have covered the particular point, as the Minister of Agriculture (Mr. Olson) argued in his presentation. It seemed to me that perhaps there was something I wanted to consider further to see if there is a distinction that I might bring out for the benefit of hon. members. The hon. member for Peace River argued that the consent of the Crown is required before the right can be given to waive the penalty which is referred to in clause 108 (10) and (11) of the bill. The question is whether without the consent of the Sovereign, given before the bill is passed, there can be such a waiver in the bill.

I will not take much more time of the House in making this decision. I thank the hon. member for Peace River and the Minister of Agriculture (Mr. Olson) for their presentations, because it seemed to be a new point—certainly to me, with my very limited experience in the Chair—and there may have been a distinction I should have considered before rendering a decision as to whether the recommendation required for what we generally call money bills—this was the argument put forward—was required here or whether the recommendation of His Excellency did in fact cover the point with respect to consent.

With respect, it seems to me that we have to go somewhat further in considering the argument of the hon. member for Peace River, that in this case where the right to waive the penalty is given in the bill there would have to be the consent of the Sovereign. The matter has been dealt with by Mr. Speaker and I would refer just very briefly to his decision. Before doing so, I would say that generally speaking one might say that consent, as argued by the hon. member for Peace River, is required where the personal property of the Sovereign is affected, as distinguished from property that the Sovereign may hold for the Sovereign's subjects.

I would refer hon. members to the ruling of Mr. Speaker in the 1963 session, volume 3. The matter is dealt with at page 2980 during consideration of the Municipal Development and Loan Board bill and in circumstances which did not affect the personal property of the Sovereign. Mr. Speaker, then Mr. Deputy Speaker, made this distinction which I shall read briefly:

—I should like to turn to the citation which has been quoted by the hon. member, that is, citation 283. It is obvious that his whole argument, as has been suggested by the Minister of Citizenship and Immigration, Mr. Favreau, is based on the premise that certain rights and privileges of the Crown are affected. It says:

Here Mr. Speaker quotes as follows:

The consent of the King or Queen, as the case may be (to be distinguished from the royal assent of bills) is given by a Privy Councillor to bills (and occasionally amendments) affecting local and personal interests which concern the royal prerogative, the hereditary revenue or personal property or interests of the Crown or Duchy of Cornwall.

I would mention, without reading them, the two other citations on which Mr. Speaker based his decision—Campion at page 329, and Beauchesne, citation 283.

Therefore, in view of the distinction that was drawn in the case where royal consent is required, it seems to me that while the argument of the hon. member was a learned one, it should not prevail in these circumstances.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I do not wish to prolong this debate on third reading but I do wish to make a few brief comments. This bill contains three main points pertaining to the selling of grain, as I see it. One is the protein factor, which has been mentioned. Another is the mixing at terminals, and the third has to do with boxcar allocation, control over the shipment and movement of grain. All these things should assist in the movement of grain to market.

I would suggest to the Minister of Agriculture (Mr. Olson) that there is more to marketing than just passing a new Canada Grain Act. For example, we should be looking for new markets, for new methods of preparing the products which we market, and at ways of providing financing for those who have difficulty buying the grain we have to sell.

In effect, what I say to the Minister of Agriculture is that we do not want any more excuses when we discover that we have a little too much grain on hand and we are not getting our share of the market. We do not want to wake up one morning and find that someone else is carrying out protein grading and we have to wait two years to pass a bill in order to do it. I suggest that we should be out, meeting the competition before it gets the edge on us. I would like to draw the attention of the minister to his point. We should be using imagination and initiative in preparing, selling and merchandising our grain. Now that the bill is being passed this evening, the minister will have a new instrument to aid him and the government in going out to find new markets, hopefully increased markets for all the grain produced by Canadian farmers.

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, my remarks this evening on third reading of Bill C-175 will be very brief. As hon. members know, I have had the privilege and pleasure of being a member of the Standing Committee on Agriculture which reviewed this legislation at some length. The original bill was C-196, introduced in the House early in the spring. I compliment the hon. member for Crowfoot (Mr. Horner) and the hon. member for Mackenzie (Mr. Korchinski), who are practising farmers, for devoting much time and research in preparing themselves for the committee study and the debate in the House on this very important piece of legislation.

The hon. member for Crowfoot, who resumed his seat a few minutes ago, outlined a number of our reservations and a number of the problems that we feel are still facing the agricultural industry, in western Canada in particular, in dealing with this Canada Grain Act. The minister and the government have accepted a number of opposition suggestions and amendments, and rightly so, Mr. Speaker, because to my utter amazement, as a layman not very familiar with the grain act in its original form, not having been actively engaged in farming for a number of years, Mr. Runciman, head of the Canada Grains Council, presented a brief to our committee prior to the recess in June suggesting no less than 83 amendments, 50 major and 33 minor. This, Mr. Speaker, was an indication that we as a committee had to dig in our heels and do some homework in order to come up with a better bill. If not, we would lose credibility in the eyes of the electorate no matter whether we came from the opposition or the government side.

• (9:20 p.m.)

In conclusion because of the briefs that have been referred to I think we have come up with a bill which, although it is not entirely acceptable as it stands, is much better than it was originally. On the basis of those facts, Mr. Speaker, I am content to see the bill given third reading. Hopefully, it will contribute to improving the grain market for Canadians generally and for western farmers in particular.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I spoke on the introduction of this bill and have had an opportunity to consider it at some length in committee, but there are still aspects of it which disturb me and I feel I must express my reservations. I do not believe the bill has been changed very much because it still has some very disturbing features. As has already been mentioned, the commission at one time had the power to authorize the licensing of elevators. When the bill was drafted, western Canada was growing agriculturally and there was a great demand for agricultural products, particularly grain. People were doing everything within their power to expand their operations and open up new land, building new communities in the process. It is a pity the House did not see fit to allow the hon. member for Crowfoot (Mr. Horner) to put a few more remarks on the record. He pointed out that the emphasis will be on the reduction of the number of grain elevators. The policy paper which arrived in my office this evening states: that any programs and policies which tend to encourage the breaking of new ground will be discouraged. I think that is a mistake. I agree that perphaps some new land is submarginal and should be taken out. There have been suggestions that the western Canada farmer should diversify and raise cattle, but to suggest that certain lands should not be opened up is taking too much into the hands of the government.

I have some land that is covered with bush, not under cultivation. No government can suggest to me that I have no right to open up that land after I have bought and paid for it and continue to pay taxes on it. No government can tell what my plans for that land may be. Eventually it may go back to grass, or it may be suited for rapeseed. There are many places where rapeseed cannot be grown. I may decide to put a crop in for a few years until the roots are rotted, before putting it into grass, so that it does not go back to bush. But a few bureaucrats sitting in Ottawa would not realize that this does happen.

With all the suggestions that have been made, I am afraid there will be a reduction in the elevator system. I

am very concerned about this because it will add to the over-all cost of production. I can visualize a situation where farmers will have to deliver grain 30 or 40 miles and we will find that many farmers will be not geared up to do it because they do not possess trucks of high capacity. There was a situation a year ago where farmers had to deliver rapeseed 100 miles away. Even if a farmer has a quota he may run into difficulty in such a case. When a truck is loading up without a scale, he may find that it is overloaded. This is a situation which the farmer is bound to run into. Last year the net result was a prosecution. But are we to be faced with a similar situation because the rule says "no quota"?

The hon. member for Crowfoot pointed out that the elevator system is running at something like 60 per cent of its capacity; Is this the pattern we are to live with? There can be no conclusion other than that the policies of this government are such that eventually the elevator operators will find their business is not a paying proposition. The commission will then tell them they must reduce their elevator system, and they will probably then face prosecution. What will happen to the producer then? Clause 35 (2) provides:

> A licence issued pursuant to subsection (1) shall be
>
> (a) for a term not exceeding five years; and
>
> (b) subject to such conditions, in addition to any prescribed conditions, as the commission deems appropriate in the public interest for facilitating trade in grain.

It does not include the interest of the producer. It speaks of the public interest. What is the public interest, Mr. Speaker? The minister has told us we must reduce the effectiveness of the Temporary Wheat Reserves Act. That may be in the public interest but it is not in the producers' interest. If we were acting in the producers' interest we would maintain in full force the Temporary Wheat Reserves Act. I therefore say there ought to be a different approach to payments.

• (9:30 p.m.)

The other day I suggested in the House that the elevator system, which includes the terminal elevator system, has a total capacity of 550 million bushels. Since only about 250 million bushels are to be accepted, this will mean that the income of western farmers will be reduced by 300 million bushels. I do not see how the problem is to be overcome. If the elevator system is not to be filled, how will you get any extra money into the hands of the producer? The Minister of Agriculture of the province of Manitoba suggested that $300 million ought to be pumped into the farm economy immediately because Prairie farmers will receive $700 million less than they received in 1969.

What this government intends to do is quite obvious. Under this bill as now drafted, the commission will have the right to close down an elevator at any point as it sees fit, and it can claim it is acting in the public interest. It does not have to take into account the interest of the producer. It has been suggested that rapeseed and barley will go through the system. Senator McNamara suggested that both grain and barley should go into the system. Barley ought to go into the system, because if it does not we may lose our barley market. We may yet lose it because farmers will not grow barley at a loss. They will not grow barley merely for the sake of growing it.

We obtained a share of the market in the United States because of the corn blight in that country. The corn blight gave us a temporary market. The government's grain policy was geared with that fact in mind. The minister thought it might be a good idea to slip that policy under the rug, as it were. His idea is that once you get your foot in the door, you are all right. Well, he might sell the country on that idea this year; he may say that the government will put out some money at this time, but there is nothing to suggest that next year or the year after the same government policy will obtain.

The government's policy tells me that although we are asked to produce rye, flax, rapeseed, barley, oats and wheat there will be an eventual congestion not only of wheat but of all the other commodities I have mentioned. Apparently in the interest of stability the government is to hold back money earned from the sale of some commodities. They will not even trust me with my own money. They will hold back certain sums and dole the money out to me. I give my children quarters and dimes; I do not give them a dollar bill all at one time. That is exactly how the government is treating the farmers; it is that they do not know how to spend their money and therefore it will hold some of it back.

Also, if a farmer in one area does not make a very high income, the farmer in another area who has a higher income will pay out money for the benefit of the poorer farmer. In a sense, that is like insurance. I suppose everybody wants to enter into an insurance scheme of some kind. Certainly it will bring a certain measure of stability. But I do not want this if the government is to hold back my money, if it is going to say, "Look, we have held this money for you. Aren't we good boys?"

An hon. Member: Give them hell, Stan.

Mr. Korchinski: Those are some of the reservations about this measure that I felt I had to express at this time. In addition, under the provisions of clause 87, I believe, the elevator companies will not accept delivery of grain which may be out of condition or contaminated. The point I am making is this: the minister has not indicated in the House, although the matter was raised on several occasions, who is to be responsible if a loss results from grain that is contaminated with the rusty beetle, and so on. I am thinking of comments made by Mr. Hamilton of the Grain Commission who said that the farmer will have to carry this load. That statement contradicts statements made in the House to the effect that the farmer will not carry that load.

In the particular instance referred to, although the contamination was discovered on the ship after the grain had been subjected to a series of examinations, we were told that the farmer would have to bear the loss. But, Mr. Speaker, the farmer would not have delivered contaminated grain, because when grain is delivered at the elevator the elevator agent takes a scoop of it every so often: he looks at the grain; he checks it; he wants to know where it came from; he wants to know its weight and whether it is dry; he wants to know the dockage and shrinkage that is to be allowed. That grain is subjected to a number of inspections. It is inspected by representatives of the commission at the regional terminals. The commission itself supervises these inspections. Why, then, should we expect the farmer to carry the load when grain is allowed to become contaminated? Why is grain allowed to become contaminated, as a result of which farmers are told, "You cannot deliver your grain because it may be out of condition," and so on?

In this bill there are clauses similar to the one to which I have referred. They will cause us trouble. I wish the minister would make a statement about what really has happened in matters such as I have referred to, and at the same time indicate that the government is prepared, where the commission has been negligent, to carry the loss sustained.

Another provision of the bill relates to protein grading. We now know from the explanations given that protein grading will not go into effect for at least two years. This provision has been introduced notwithstanding all the protestations of the minister. Of course, we are accustomed to the type of propaganda in which this government has indulged. The minister singles out one item, explains it to us in a way we can understand and then he slips in other measures. That is typical of some of the legislation that has come from this government. You single out one or two items which are palatable, then throw in a lot of garbage and say, "Look at the beautiful job we are doing for you." The government wanted to rush this bill through without accepting amendments. We tried to point out some of the weaknesses in the grains legislation. After waiting for 40 years, they expect us to rush this bill through. In addition to all that, the minister told us we had an important market for barley.

Mr. Speaker, I have been amused because some people think that because China bought some of our wheat, all the farmers are rolling in dough. The government changed the entire quota system. We have the three-bushel quota this year but it is on the basis of summer-fallow whereas last year it was on the basis of total acreage. If you compare the figures you will see that this year we have a quota that is slightly more than a bushel greater than the quota we had last year.

• (9:40 p.m.)

In addition, the elevators are not being filled. The government does not think the farmers need any money now; they say they will receive it later. They think they can manage the affairs of the farmers better than the farmers themselves. I do not know what will happen if there is another cold snap such as we experienced a year or two ago. The problem was that diesels could not haul the grain to Vancouver. There is a great deal of snow in the west this year. It will be difficult for farmers to start their trucks. In spite of this, the government insists that they deliver their barley because it is required for the markets. The farmers will receive less for their production. It is ridiculous to ask them to rush out in the middle of the night to deliver grain.

The new protein grading system will create problems. There will be an even greater storage problem than at the present time. The new government policy will direct and condition the thinking of the farmers. Farmers have to accept the fact that they will have to deliver their grain to more distant points. Because there will be various protein levels of a certain grade, more storage will be required. The end result will be that as much, or more, elevator space will be required. Present government policy is directed toward the elimination of elevators.

After a study was conducted, a representative of Canadian Pacific Railway appeared before the committee. He informed the committee that the government had commissioned a study in order to work out a new system involving unit loading of trains. I admit that from the point of view of the railroads this might be a good idea. The railways like the idea of loading a complete train at one point. However, three elevator agents will be required if loading operations are carried out 24 hours a day. It would be convenient for the railways to deliver a series of boxcars to one point. However, there is no regard for the distance a farmer has to travel. When the representative of the CPR appeared before the committee, I asked him whether there were storage facilities for other commodities which they handle. He replied that there were warehouses at many points. If the end result of the new system is to be a saving for the railways, they should provide storage for the grain.

The government will require the farmer to pay for the storage of grain in the elevators. The government has no regard for the producers. Obviously this is the way they want the trend to develop. This is one more thing we have noticed in this government's pessimistic attitude toward grain. Last year the Lift program was introduced. The farmers were unable to grow wheat, not because of the program but because of wet weather. Instead, they grew barley. This was not because of any planning. The minister told the farmers that they should not grow too much barley because a glut might develop. This year there is a demand for barley. In their haste to dispose of some of the barley, the government without any regard to price grabbed the first sale and accepted a price of $1.30 a bushel. On delivery to the country elevators, the farmers receive 62 cents or 65 cents a bushel. Statements have been made to the effect that there will be no final payment. Even allowing for transportation and handling costs, there is still quite a disparity.

The government is now in a hurry to have stabilization legislation because they do not want it known that they

have gained a market at the expense of the farmer. The farmer's cost of production will not be covered. The government felt it was a good opportunity to introduce this legislation. They do not have to live with the facts. At the same time they will be saving $60 million or $70 million which they would normally pay out under the Temporary Wheat Reserves Act.

I had not intended to speak very long and there are still a few more points I would like to cover. I have taken longer than I thought. I want to register some of the doubts that I have. I hope the minister and the press will not state that protein grading is here from now on and that the farmers will be on easy street: this is what happened after the wheat sale to China. It will take two years to implement this system. There will be far more problems than we realize at present. Suggestions have been made from this side of the House. The Leader of the Opposition (Mr. Stanfield) indicated that we would have been ready to pass the protein grading bill but that we had some reservations about certains aspects of it. Although I still have some reservations, I am prepared at this time to allow the matter to come to a final vote.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Agreed.

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

* * *

• (9:50 p.m.)

STATISTICS ACT

ESTABLISHMENT OF STATISTICS CANADA, PROVISIONS FOR ADMINISTRATION, ETC.

Hon. Allan J. MacEachen (for the Minister of Industry, Trade and Commerce) moved that Bill S-2, respecting statistics of Canada, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I should like to take this opportunity to say a few words concerning Bill S-2. We are proposing to make a number of changes in the existing legislation which governs the operations of the Dominion Bureau of Statistics. Not long ago I picked up a piece of advertising material which informed me that our old friend the Volkswagen was to have a "nose job" and that a number of changes were to be made under the hood. The advertisement went on to say that the important changes were those under the hood. We propose making a change in the appearance of the Dominion Bureau of Statistics, a vehicle which has served us well over the years but the important changes are the ones which will go on, as it were, under the hood.

Before we begin consideration of the bill before us I think it might be interesting to recall a little history. The first census taken in Canada was as early as 1666 when Jean Talon, the intendant, went to work to determine how many people there were in the colony. But real business of gathering statistics in Canada began in earnest in 1918. At that time the government set up a commission to examine the methods used in gathering statistics. The commission reported, and a statistics act was passed in the same year endorsing the commission's proposal for a central statistical office to co-ordinate statistics. It then became the job of the Dominion Bureau of Statistics to collect statistics, the responsibility for which had previously been scattered among various government departments. Later, in 1948, because of the numerous changes in the interval a new and revised Statistics Act was passed. It is this act we seek to amend today.

Since that time, Mr. Speaker, the nature of the demand has changed considerably. Both the provincial and federal governments have expanded their social and economic policies. New departments and agencies have been created. Task forces and royal commissions, coupled with expanding universities and independent research bodies, have led to an increased sophistication of business and market research. There has been an explosion in the demand for statistics by these organizations. The Dominion Bureau of Statistics has responded wherever possible to this demand for accurate co-ordinated facts. It has become a service institution with a high reputation. But service institutions, like cars or television sets, have to be remodelled from time to time to keep them up-to-date. The new concepts contained in the bill before us will make it easier for Canadian business and social institutions to supply the facts the bureau needs, faster and more efficiently than in the past. That is what the new act is all about.

Canadians and their governments have mutual obligations in relation to statistical needs. The citizen, of course, has an obligation to provide statistical data to the nation, but the state has an obligation too—to make it as easy as possible for the citizen to do so, and it is in this regard that there is real room for improvement on the part of governments. Why, for example, should the citizen fill out one form for the federal government and another form to give similar information to a province? We ought to be able to do better than that, and we can do better.

In the past, informal practices have developed between federal and provincial statistical agencies toward that end. The new act formalizes existing ad hoc arrangements and adds a new area of co-operation between these two levels of government. Canadians will be able to fulfil many of their reporting obligations by filling in one form for both governments. The saving in paperwork will permit the modernization of statistical services and provide more and better service without increasing the cost.

Perhaps I can call it ten o'clock, and proceed later, Mr. Speaker?

Proceedings on Adjournment Motion

PROCEEDINGS ON ADJOURNMENT MOTION

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

HEALTH—INCLUSION OF PARAMEDICAL SERVICES UNDER MEDICARE

Mr. Randolph Harding (Kootenay West): Mr. Speaker, on November 18 I directed the following question to the Minister of National Health and Welfare (Mr. Munro):

How many provinces must agree to the inclusion of paramedical services under medicare before these services will be accepted by the federal government as a cost-shared item?

The minister replied that a consensus must develop before there would be any extension of coverage. He also said this question was "never seriously considered until every province had entered medicare and that was just about the case now." I also asked the minister if the federal government was considering cost-sharing of paramedical services with any province which would include these services in its medical care program. His answer was evasive and I welcome this opportunity to clarify the situation.

May I briefly sketch the problem which exists in British Columbia? When the B.C. medical plan was set up several years ago it covered all paramedical services up to a set amount each year. These services included those of chiropractors, podiatrists, optometrists, naturopaths, physiotherapists and osteopaths. In July of this year the B.C. government cut in half the set amount of paramedical services which an individual could obtain under its medical plan. This cut was entirely the responsibility of the provincial government because it never had any cost-sharing agreement with the federal government concerning these paramedical services. The provincial government knew this when it set up the plan. However, it also knew that the federal plan made provision for the inclusion of these services on a cost-shared basis, without the consent of all the provinces which is apparently now being demanded by the federal government.

We now see this ridiculous situation in respect of the various paramedical services. Each group must bargain individually with each province for inclusion in its medical care plan. I presume if agreement is reached with all provinces, then the federal government will consider the cost-sharing of the particular paramedical service with the province. This process is time-consuming and can delay for years the inclusion of all these necessary services in our provincial medical care plans. I might add that this is one bad result of getting away from a single national medicare plan to cover all Canadians.

I believe the federal government should share all these paramedical costs with the provinces. If any province wishes to include these services under its plan, then the cost should be shared. I should like to bring to the attention of the Minister of National Health and Welfare how essential it is to include all paramedical services in every medicare plan. In respect of many individuals who have back trouble and require chiropractic treatment, we find this is perhaps the only type of health treatment required. Why should this treatment be denied, or paid for on a limited scale as is the case in British Columbia? Why should treatment by an optometrist be denied those who need it? Again, we find this is often the only health requirement of an individual. The same applies to physiotherapists and other paramedical services. To deny these as cost-shared services under medicare would often put them out of reach of those who need them most.

Since paramedical services were cut in half by the government of British Columbia last July I have received a large number of letters from throughout my riding urging that the federal government share these services and that they be made available to those requiring them. I fully endorse this position. I point out that many of those receiving these services are senior citizens and the curtailment of the services in British Columbia has been especially hard on them. I have received letters from every senior citizen group in my riding urging that immediate action be taken. These citizens do not have the money required for treatment beyond the treatment presently allowed. We should make certain that this type of health care is not denied the people of British Columbia or those of any other part of Canada.

I again urge the minister and the government to immediately review this important aspect of health care and bring it into the area of cost-sharing. There can be no valid excuse for delaying action on this issue. The health of our people should be one of our prime responsibilities and paramedical services plan a vital role. This is why we are requesting complete clarification of the issue.

[*Translation*]

Mr. Gaston Isabelle (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, would it not be possible for the hon. member for Vancouver-Kingsway (Mrs. MacInnis) to make her remarks now, as they deal with the same subject to which the hon. member for Kootenay West (Mr. Harding) has just referred, so that I can reply to both at the same time?

The Acting Speaker (Mr. Laniel): Order. The Parliamentary Secretary will understand that the Standing Orders of the House provide that a representative of the government must answer every question put to him, but if the hon. member for Vancouver-Kingsway agrees, I think we may allow the Parliamentary Secretary to give one answer to both questions.

Mrs. MacInnis: Mr. Speaker, I had hoped to hear the Parliamentary Secretary to the Minister of National Health and Welfare, since I shall not deal with exactly the same subject as my colleague.

Mr. Isabelle: Mr. Speaker, I wish to point out that the health insurance plan was not designed, at the time of its inception, to cover all personal health care expenses. Indeed, the Right Hon. Mr. Pearson specified, in 1965, as

did the Minister of National Health and Welfare in 1966, that the basic plan was to cover, in the beginning, a minimum of services.

The plan contained provisions designed to extend its coverage when the provinces would agree to it and when the government would see fit to include other special services in the national scheme.

In spite of these provisions, the provincial health ministers feared that the government would act unilaterally and widen the range of insured services; in 1967 and in 1968, the then Ministers of National Health and Welfare had to reiterate their assurance that the federal government would not go ahead on its own.

Finally, in 1969 several provincial ministers asked the federal government to include some paramedical services in the national scheme. It is up to the government to take a decision in this matter and not to the Minister of National Health and Welfare.

However, the minister had informed his colleagues from the provinces that he was prepared to discuss with the cabinet the inclusion of some services as soon as the provinces and territories would have set a date for joining the national plan, but this has not occurred yet.

After they have joined, the Minister of National Health and Welfare intends to draw the attention of the other cabinet members to this important matter in due course.

It should also be noted that this subject was back on the agenda at the last federal-provincial conference and it would seem that after all the provinces have joined in the national scheme, further discussions will take place.

[*English*]

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, almost a month ago the hon. member for Kootenay West (Mr. Harding) and I questioned the Minister of National Health and Welfare (Mr. Munro) in respect of the possibility of including paramedical services under medicare. His replies to our questions were extremely indefinite, not to say evasive. The same thing happened the next day when the hon. member for Cape Breton-The Sydneys (Mr. Muir) tried to find out about the inclusion of optometric services.

For months now I have been receiving representations from members and organizations representing the paramedical services—optometrists, podiatrists, chiropractors, osteopaths and others. I have also received urgent appeals from people who require these services in order to carry on their work or maintain their health during their retirement, yet who cannot afford to pay for them on an individual basis.

All these people, those performing paramedical services and those who need them, have the same urgent request. They want to have these services included under medicare. They want the minister to make an agreement with their province to include such services under medicare. They are worried by his evasive attitude. They want to know why he cannot be definite and take action on the matter. There was a time when this matter was quite straightforward and not cloaked in mystery. The Federated Legislative Council of British Columbia, in its bulletin of September 4, 1970, quotes from the Canadian Chiropractic Association memorandum of August 28, 1970, as follows:

> On December 6th, 1966, the Medical Care Act was amended—"to permit inclusion of paramedical services." Details of the debate which followed can be found on page 10761-66 of the House of Commons Debates, December 6th, 1966. Two excerpts from that debate follow:
>
> "Mr. Douglas: ...I take it this means that the Governor in Council, on the recommendation of the minister, can extend paramedical services in a plan in a particular province even though other provinces have not asked for a similar extension. In other words, the minister would be free under this amendment, to accede to the request of a particular province that wanted to add the services which are provided under this legislation, and it would not have to wait until a majority or a specified number of provinces, indicated their desire to have these paramedical services included."
>
> "I hope the minister's interpretation is the same as my own, namely, that any province would be able to go ahead with providing additional services, provided of course, that the minister and Governor in Council agree."
>
> "Mr. MacEachen: Mr. Chairman, I think the construction the honourable member for Burnaby-Coquitlam has put on the proposed amendment is correct, namely, that it would be possible for one or any number of provinces to admit any health services. I want to assure the committee that the amendment proposed is not a pious wish."

• (10:10 p.m.)

In spite of what the Parliamentary Secretary has said, the then Minister of National Health and Welfare was quite definite on the point that the government, on the recommendation of the minister, can make an agreement with any one or more provinces to extend paramedical services there. But what happened between December 6, 1966, and the fall of 1970? Somehow, by a feat of mental prestidigitation, the minister has created the idea of consensus. Until all or most of the provinces agree to admit paramedical service he, alas, can do nothing; and the Parliamentary Secretary follows in the same vein.

In my opinion, this new policy of consensus is purely and simply a device to postpone action on this matter indefinitely. The word "consensus" does not appear in the legislation. The minister used "une entente" which does not appear in the legislation either, to the best of my knowledge. The word "consensus" does not appear in the legislation, nor is there any hint of such a policy. The minister should abide by both the spirit and the letter of the legislation and agree to provide financial assistance to those provinces wishing to include paramedical professions in their medicare programs. Only in this way can the full resources of modern medical treatment be made available to those who need care, and only in this way can the overloaded physicians share with others the very heavy burden of maintaining the health and the vitality of the population.

I should like to impress upon the Parliamentary Secretary the desirability of his approaching the minister to urge upon him the need of getting rid of this bogus business of consensus, because it is not in the legislation nor does it appear anywhere in the Medicare Act. As I say, we need to get back to the fundamental purposes of the act, which sets down clearly and distinctly that the

minister might make agreements with one or more provinces, as the case may be, who wanted to include paramedical services within their medicare programs.

[*Translation*]

Mr. Isabelle: Mr. Speaker, I listened carefully to the eloquent speech by the hon. member for Vancouver-Kingsway. Unfortunately, I am compelled to tell her that the answer which I gave earlier also applies to the question which she discussed and that I have nothing else to add.

[*English*]

GRAIN—BARLEY—PRICE SPREAD BETWEEN DELIVERIES TO COUNTRY ELEVATORS AND FEED MILLS

Mr. Jack Murta (Lisgar): Mr. Speaker, I appreciate this opportunity to address the minister responsible to Parliament for the Canadian Wheat Board in the hope that I might clarify the question I directed to the minister in the oral question period on December 11. It was my impression at that time that perhaps the minister misunderstood the real sense of my question.

My question dealt with the disparity of 30 cents, more or less, between the price of barley delivered to Wheat Board elevators and the price paid for the same grain at the mills. This disparity represents in many cases the margin of profit that a farmer receives for his labour and his investment. In other words, if the average farmer in my riding delivered all his grain to the Wheat Board elevators at the present deflated price, he would end the season with a return roughly the same or less than the cost of producing the grain. He would be left with very little cash to meet current needs, and none at all with which to finance the new crop year.

This situation did not happen purely by chance, Mr. Speaker, nor was it in any way the fault of the farmer. In an attempt to make up for low volume of sales in the past, the government moved vast quantities of grain at low prices. This was done in order to be competitive and to be able to move grain out of the elevators. No one would quarrel with this as long as the farmer is not expected to accept the full burden of the lower prices. I will say more on that matter in a moment.

I would first like to point to another aspect of this situation, Mr. Speaker, where farmers find it more practical to deliver to mills rather than to elevators. Incidentally, the main reason for the price disparity is that there has been an increase in livestock herds, hogs and poultry, in Lisgar and so barley is at a premium, selling at 90 cents to $1 a bushel. The second aspect is that the elevators in my area are far below capacity with respect to stored grain, so low in fact as to present a problem in filling the needs of domestic and foreign markets. In Manitoba the elevators would normally accommodate 52 million bushels. At this time last year there were 45.1 million bushels in storage, and at the present time there are only 24.1 million bushels in storage. These figures are from the Board of Grain Commissioners report dated December 2, 1970. In spite of the fact that elevators in Manitoba are half empty, I do not believe there will be quotas available to farmers for some time to come, and certainly not before Christmas when extra cash payments will be sorely needed.

On Friday last the minister answered my question by asking if I was opposed to the present Wheat Board marketing system. The answer is no, Mr. Speaker. However, I know that the minister has the authority to act in order to meet extraordinary circumstances, and the matter to which I refer is an extraordinary circumstance. Therefore I respectfully ask the minister through you, Mr. Speaker, to consider two suggestions that I feel would go a long way toward alleviating this serious problem which besets the farmers in my area. First, I would ask the minister to consider allowing farmers in my riding, and ridings similarly affected, a further quota at the earliest possible opportunity. The grain is available and the elevators will accommodate such a quota. This would remove a problem of considerable proportions.

Second, I would ask the minister to consider an adjustment by way of a differential payment to farmers who have been penalized by delivering barley to elevators at the Wheat Board price of 67 cents per bushel. This would ensure a final payment in the spring, a move that I consider justified under the circumstances. I say this because I have good reason to believe from members of the grain trade that a final payment may not be forthcoming because of the low initial price at which the barley was sold. Such action on the part of the minister would prove to all that the present Wheat Board marketing system can be made to work in a variety of circumstances, instead of only within a very constricted area.

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I would like to assure the hon. member that I did understand his question. Of course, it is only a few short months ago that members were concerned about the differential between the price being paid for barley by feed mills and the price being paid when they delivered their grain to the Board. The feed mill prices were running at least as much as 30 cents below the board prices. We called it distressed pricing and indeed referred the question of distressed pricing to a committee of this House.

Since that time the market for barley has turned around, thanks in good part to the very vigorous efforts of the Wheat Board to move Canadian barley onto the market at competitive prices, which move the hon. member says he supports. He now points to a differential in price between non-board grain in his area and board grain, but I am afraid I do not quite understand his argument that there is a problem in the differential and at the same time there is a problem in lack of opportunities in the delivery system. The two are contradictory.

The fact is that an extra five-bushel barley quota, making a quota of 15 bushels, has been opened up in all blocks in the very recent past, and I can assure the hon. member that the Wheat Board will be opening that quota further just as soon as they think it desirable in their

judgment, using the system to the best capacity. That is the plan to be followed in the future, rather than abusing the system and blocking it with grain that was not required for the market. The Wheat Board, operating under its obligation to move Canadian grain to market, in its judgment in the best possible way did in fact sell at prices below the levels in what may now be termed artificial markets.

The hon. member said he understands the reason for this. As a supporter of the Wheat Board, I am delighted to hear the hon. member say this. He should try to understand and give support to the Wheat Board in this manner of moving our grain. He should try to understand, too, that the board price and the pool price is made up of initial prices and whatever final payment there may be. He has speculated upon the final payment, though I would not choose to do so. The Wheat Board suggests it should not be done, for good commercial reasons, before the time when there is no longer any advantage to competitors in revealing those prices.

• (10:20 p.m.)

The idea of the pool is that those who market their grain to the board will share the price at whatever time of the year they market it. Those who choose to market to feed mills find that the mills are bargaining for barley at whatever price they can get. I am delighted that producers in the hon. member's area are able to get a higher price.

Motion agreed to and the House adjourned at 10.24 p.m.

HOUSE OF COMMONS

Tuesday, December 15, 1970

The House met at 2 p.m.

ROUTINE PROCEEDINGS

TRADE

TABLING OF AGREEMENT RESTRAINING CERTAIN JAPANESE EXPORTS TO CANADA

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2) I should like to table in both official languages the export restraint agreement covering certain Japanese exports to Canada during 1970, and texts of letters exchanged between Ambassador Kondo of Japan and myself dated December 7 and 11, 1970, confirming the arrangement.

* * *

FUNDY POWER AUTHORITY

PROVISIONS FOR ESTABLISHMENT, MEMBERSHIP, OBJECTS AND DUTIES, ETC.

On the order: Introduction of Bills:

December 11, 1970—Mr. Nowlan—Bill intituled: "An Act to establish the Fundy Power Authority".

Mr. Speaker: Before putting the motion I think I should mention to the hon. member for Annapolis Valley that the bill which is proposed for consideration by the House has caused me some misgivings. In many ways it is more akin to a private bill than to a public bill. I am sure the hon. member himself will have recognized that. At the same time, I am fully aware of the financial obligations entailed by the presentation of a private bill, and the nature of the propositions included in the proposed bill perhaps could not require that the hon. member should personally be saddled with these responsibilities.

In many ways this bill is perhaps a cross between a private bill and a public bill, or what has been called a hybrid bill. Unfortunately, our Standing Orders do not make provision for the presentation of a hybrid bill. There is no such—I was tempted to say "animal" but that would be highly unparliamentary. I would say that our Standing Orders do not provide for the presentation of such a bill. I would rather consider it a public bill and allow the hon. member, with a caveat, the right to present his bill.

Mr. J. P. Nowlan (Annapolis Valley) moved for leave to introduce Bill C-210, to establish the Fundy Power Authority.

• (2:10 p.m.)

Mr. Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the said bill?

Some hon. Members: Explain.

Mr. Nowlan: Mr. Speaker, I fully appreciate your caveat. I followed the precedent of the Newfoundland Tunnel Authority and a few other bills.

The purpose of this bill is to establish a hybrid body to be known as the Fundy Power Authority, involving the three Maritime governments, the federal government and associated agencies, to promote the multipurpose development of Fundy tidal power, potentially the greatest feasible single undeveloped power source on this continent.

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

ORAL QUESTION PERIOD

TRADE

POSSIBLE TARIFF WAR—SUGGESTED GATT CONFERENCE—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to ask the Minister of Industry, Trade and Commerce a question relating to trade. Arising out of the suggestion of members of the government that there ought to be a further round of GATT with a view to considering possible reductions of tariffs to avoid the possibility of a tariff war, particularly between the United States and the Common Market, can the minister tell the House whether this has just been a suggestion or whether he or some other member of the government has actually canvassed the members of GATT with a view to launching such a conference?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, this is more than a view on our part. To make things very clear, let me say that we have suggested two things. We have suggested that a number of elements which are presently being studied in GATT in Geneva should be extracted from the preparatory work and should be the object of international negotiation. These would be subjects that would not create major difficulty in the negotiations for enlargement going on at the same time.

Second, we have suggested that before the transitional period is over there should be a "mondialisation" of the results of EEC enlargement. These are the two things we have suggested, and efforts are being made now to convince others that this is the proper approach. Mr. Olivier Long, the Director General of GATT, is familiar with these ideas. I believe he shares some of them and is trying to work toward the same objective.

Mr. Stanfield: Do I gather that the impression that is abroad that the government has suggested another GATT round is not well based, is not correct?

Mr. Pepin: Well, Mr. Speaker, our views were clearly expressed in the report I made recently in the House on the EEC enlargement. So I presume they are well known in Europe now. These are not new ideas on the part of the Canadian government. I spoke that way to political leaders when I was in the U.K. and Europe, and the Secretary of State for External Affairs has done the same. Whether these ideas will ever be elevated to Kennedy Round status I do not know, but we are working toward the objectives indicated.

Mr. Stanfield: Mr. Speaker, is the minister in a position to tell the House what the attitude is of the administrations of the two major trading units concerned, that of the United States and that of the Common Market, toward this suggestion? Has the minister received any response? Can he indicate very briefly what the response is?

Mr. Pepin: Mr. Speaker, these views were obviously made known to the two parties the hon. member is talking about. Each one of them, I may say, has problems of its own. All of us know that at this moment the Europeans, dealing only with that group are so involved in the process of enlargement that they have only limited time they say to give to our suggestions with respect to a major negotiation in GATT. We have expressed the view that this would not be the proper approach and that it would be in their own long term interests, as well as ours, to devote some of their attention to the suggestions we have made.

Mr. Stanfield: Do I take it that the minister is not in a position to tell us that the initiative he has taken has received any positive response or endorsement or will receive any support in the immediate future from either the United States or the Common Market?

Mr. Pepin: No, Mr. Speaker, I could not use the word "endorsement" but we are still working very hard on it, and the ideas have supporters everywhere in the world.

* * *

LABOUR CONDITIONS

ALLEGED LAY-OFFS IN CANADA BY FOREIGN-CONTROLLED CORPORATIONS TO PROTECT JOBS IN UNITED STATES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I direct a question to the Minister of Finance arising out of indications that the top economists in the government service have submitted a report claiming that one of the major causes of unemployment has been lay-offs by foreign-controlled corporations in this country and indicating that there is a strong suspicion that these lay-offs have been undertaken to protect jobs in the United States. Has the minister seen or received such a report from the top economists of the government?

Mr. Stanfield: Who are they?

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker, and I think the premise is a natural NDP premise.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the Prime Minister whether any department of the government has received such a report or whether the Prime Minister himself has received such a report?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I have not heard of any such report being received by any department. I shall ask the ministers whether they have received such a report, but when I saw the news item I thought it looked like a bit of fantasy rather than reality.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the Minister of Finance whether any study is being made of the indicated lay-off of over 5,000 persons by major United States concerns in this country? Is any inquiry being made into whether these lay-offs were necessary because of the situation in Canada, or because of the situation in the United States?

Mr. Benson: Mr. Speaker, I think this is all a dream of Stephen Lewis.

Mr. Lewis: His dream is your nightmare.

* * *

[*Translation*]

AGRICULTURE

DAIRYING—ALLEGED ABOLITION OF PENALTY ON PRODUCTION IN EXCESS OF QUOTA

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

According to an article which appeared in an Eastern Townships newspaper, Quebec milk producers, and probably all producers in Canada, will not be subject to the overproduction tax of $1.25 per cent starting December 1.

Can the minister say whether the government's dairy policy has been altered and whether he has issued a statement in this regard?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, there will be a very important change in the holdback on the subsidy support program as soon as the provinces, particularly Ontario and Quebec, have a market-sharing program in place and functioning. We are hopeful that this will be very soon. As soon as it is there will be some important changes in the holdback.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary question.

Can the minister say whether the tax of $1.25 is to be repealed when these regulations come into force and, if so, whether this measure will apply retroactively from April 1, 1970.

[*English*]

Mr. Olson: No, Mr. Speaker, I do not think it will. I shall announce to the House what the changes in the holdback on the subsidy support program are as soon as I have confirmation from the provinces and the milk marketing boards in those provinces that a market-sharing program is in effect.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a supplementary question to the Minister of Agriculture.

Is it true that, since December 1, the penalty on surplus production has been reduced from $1.25 to 26 cents?

[*English*]

Mr. Olson: No, Mr. Speaker, that is not true in the way the hon. member put the matter. I think, as I said, that there will be a very important change, whether from $1.25 to 26 cents or to some other figure, as soon as the provinces have market-sharing quotas in effect.

* * *

EXTERNAL AFFAIRS

STUDY OF NATO'S OUTLOOK—COMMENTS BY MINISTER OF NATIONAL DEFENCE

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, may I direct a question to the Minister of National Defence and welcome him back to the House after his trip to attend the NATO meetings and visit our forces in Europe.

Some hon. Members: Hear, hear!

Mr. Hees: Smile, dear, smile. Could he advise the House of the reaction of the members of the NATO council to the gratuitous advice given to the council by the new boy regarding the future operations of NATO—

Mr. Speaker: Order, please. The hon. member knows that the question cannot be asked in those terms. If he would like to ask the question in terms that are acceptable to the Chair, perhaps he could proceed.

Mr. Hees: Thank you, Mr. Speaker. Could the minister advise the House as to what was the reaction of the NATO council to the advice which the minister gave the other members regarding the future operations of NATO, particularly in view of the fact that the government he represents has just withdrawn half of its forces which had been committed to that body?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, I think it is fair to say that the comments which we made at that time about the A.D. 70's study, which is the context in which the remarks were made, were agreed to be just under the circumstances and were well taken.

Mr. Hees: Could the minister advise the House if the reaction of the members of the NATO council to the minister's precocious pomposity was the same acute nausea which was experienced by this country?

Mr. Speaker: Order, please. The right hon. member for Prince Albert.

NATO—NUMBER OF CANADIAN ARMED FORCES PERSONNEL

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, may I direct a supplementary question to the Minister of National Defence. Without using any expressions such as he has just heard—being devoid of expressions of that kind—may I ask him this question? What will the number of Canadian personnel in NATO be during the coming year? Will the number be 5,000, as it originally was, or 2,500, to which figure the force was reduced? I ask this question because, after reading what he said in Europe, there is considerable doubt as to what he meant.

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, I said in Europe that the force level would be 5,000. I say to the right hon. member that the force level will be 5,000, hence 5,000 means 5,000.

Mr. Diefenbaker: Mr. Speaker, when was it that 5,000 became 5,000? When did the government of Canada change its attitude regarding the reduction of our forces to 2,500?

An hon. Member: Never.

Mr. Diefenbaker: When was the conversion on the road to Damascus?

Mr. Macdonald (Rosedale): Mr. Speaker, there was never any decision to reduce the forces to 2,500. There was a full force level proposed a little over a year ago, and after discussions with the NATO authorities it was equalized at a level of 5,000. That has been the position at least so long as I have been Minister of National Defence and for some time before that.

PROPOSED SALE OF ARMS BY BRITAIN TO SOUTH AFRICA —VISIT TO TANZANIA AND ZAMBIA BY PRIME MINISTER'S SPECIAL ASSISTANT

Mr. David Lewis (York South): Mr. Speaker, may I direct a question to the Prime Minister. Did he send his special assistant, Dr. Ivan Head, to confer with President Nyerere of Tanzania and President Kaunda of Zambia? If so, was the question of the resumption of the sale of arms by Britain to South Africa one of the subjects that Dr. Head was required to discuss with the two African leaders?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. The answer to both questions is yes.

Mr. Lewis: May I ask the Prime Minister whether Dr. Head's instructions were to inform the two African leaders that the Canadian government remains firm in its opposition to the resumption of the sale of arms by Britain to South Africa or whether he was to negotiate some kind of accommodation?

Mr. Trudeau: No, Mr. Speaker. The position Dr. Head adopted was that which was expressed to the British government in a letter from myself to Prime Minister Heath several months ago. The purpose of the trip was to explain that position and to indicate that we hope that some accommodation can be reached within the framework of the Commonwealth which would permit each country to have, of course, jurisdiction over its own internal affairs but to make sure that its decisions were compatible, in so far as possible, with the maintenance and subsistence of the Commonwealth.

Mr. Lewis: Does the answer of the Prime Minister mean that, if some African members of the Commonwealth should so object to the British resumption of the sale of arms as to threaten to leave it, the Canadian government may change its position in the sale of arms to South Africa and find some compromise, or will we stand firm?

Mr. Speaker: Order, please. I must point out to the hon. member that his question is hypothetical.

Mr. Lewis: On a point of order, Mr. Speaker, Your Honour knows that the Prime Ministers' conference will take place in January and the Prime Minister of Canada will be out of the House at that time. What I am really seeking is information on the position which the Prime Minister and the government will take at the Prime Ministers' conference, and these are the final days on which the Prime Minister can be asked that kind of question.

Mr. Speaker: I realize that the matter is urgent and of national importance, but I was suggesting to the hon. member that his further supplementary appeared to be hypothetical. If I am wrong, perhaps the Prime Minister should be allowed to reply. I must point out to hon. members that the question period is moving along quickly, and if there are quite a few supplementaries at this time it will prevent hon. members on the back benches asking questions which they may want to ask later.

Mr. Lewis: May I rephrase my question, Mr. Speaker. At the Prime Ministers' conference of Commonwealth leaders to be held in January, does the Canadian government intend to stand firm in its opposition to the sale of arms to South Africa, or will it seek some kind of compromise?

Mr. Trudeau: When I go into a meeting of any kind, Mr. Speaker, I generally know the kind of results I would like to issue from that meeting. But I would not go so far as to say that I would go into a meeting, even the Commonwealth meeting, with a closed mind and not prepared to listen to arguments from all sides.

Some hon. Members: Hear, hear!

Mr. Trudeau: If these arguments were to convince me that the position of the Canadian government was wrong, I hope I would have the courage to correct it.

Some hon. Members: Hear, hear!

PROPOSED SALE OF ARMS BY BRITAIN TO SOUTH AFRICA —CANADIAN POSITION AND VIEWS OF COMMONWEALTH SECRETARY GENERAL

Hon. Robert L. Stanfield (Leader of the Opposition): I wish to ask the Prime Minister whether the position put forward by the Prime Minister's representative was taken after consultation with Mr. Arnold Smith, Secretary General of the Commonwealth, and whether the representations made by the Prime Minister's representative were fully consistent with the views of Mr. Smith?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government has not made any attempt to make sure that Mr. Smith has any kind of veto over our position. If our position should be inconsistent with his, I am sure the House would not object to our having the right to express it. But if the Leader of the Opposition is asking whether we are in contact with Mr. Smith and aware of his efforts to assure the good health of the Commonwealth, the answer is yes. I have seen Mr. Smith and so had Mr. Head in the weeks preceding Mr. Head's visit to Africa.

PROPOSED SALE OF ARMS BY BRITAIN TO SOUTH AFRICA —REQUEST FOR TABLING OF LETTER FROM PRIME MINISTER TO U.K. PRIME MINISTER

Right Hon. J. G. Diefenbaker (Prince Albert): I have a supplementary question in view of the rather unusual procedure regarding the letter written by the Prime Minister to the Right Hon. Edward Heath, Prime Minister of the United Kingdom, in connection with the problem in South Africa and the sale of arms. As this letter was leaked in Ottawa almost before it was received by the Prime Minister of the United Kingdom, will the Prime Minister ascertain from Mr. Heath when he is in Ottawa whether he has any objection to the tabling of that letter so that hon. members will know the exact stand taken by the Prime Minister of Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sure the right hon. member would like to correct the erroneous statement that he made. If he checks the facts he will see that the letter was not leaked in Ottawa, as he stated, almost as soon as it was given to the Prime Minister of the United Kingdom.

Mr. Diefenbaker: When was it leaked?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Trudeau: Members of the opposition are applauding the right hon. gentleman because, when found at fault, he asks a question. I do not think there is anything particularly astute about this. I repeat that the facts as he stated them were wrong, and perhaps he would like to correct them.

Mr. Diefenbaker: I do not withdraw at all. The Prime Minister did something which he had no right to do in the interests of the Commonwealth; he sent a confidential communication.

Mr. Speaker: The Prime Minister rises on a question of privilege.

Mr. Trudeau: It is not personal privilege, Mr. Speaker, but I think the House is entitled to know the facts when I am accused of having done something which I had no right to do. I assure the House that we did not leak any letter. It was not leaked in Ottawa, and the right hon. member should not make an accusation of that kind without being able to substantiate it.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: May I remind the Prime Minister that this is not the first time he has forgotten something—

Some hon. Members: Order.

Mr. Speaker: Order, please. The Chair will recognize a further supplementary by the hon. member for Notre-Dame-de-Grâce, but I must bring to the attention of hon. members that time is going by quickly.

Mr. Warren Allmand (Notre-Dame-de-Grâce): The Prime Minister stated he would go to the Commonwealth conference with a flexible position and listen to the arguments of Britain. Suppose countries such as Zambia, Tanzania and other Commonwealth nations put forward very strong arguments for taking an even tougher position against Britain; will Canada's position be flexible enough to tend to their side?

An hon. Member: Make him a Parliamentary Secretary.

Some hon. Members: Hear, hear!

Mr. Trudeau: Both suggestions I have just heard are hypothetical, Mr. Speaker.

Mr. Speaker: I am counting the large number of members who are rising now, and I must warn many of them that they will not be called during this question period.

* * *

NATIONAL REVENUE

REASSESSMENT OF FARMERS DOING OFF-FARM WORK

Mr. H. W. Danforth (Kent-Essex): I should like to direct my question to the Minister of Agriculture. I have given him notice. Can the minister tell us the results of his meeting with the Minister of National Revenue on behalf of farmers who are being reassessed for tax purposes after engaging in off-farm labour to augment their incomes?

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker. I have had a discussion about this matter with the Minister of National Revenue, although these farmers have the right to communicate directly with the Minister of National Revenue if they wish. I am advised that the minister is looking further into this matter. We would like to be given names so that we can identify the files concerned, but I can also assure the hon. member that bona fide farmers are not being treated any differently now than they were in the past.

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FINANCE

DISCUSSION OF LEVEL OF TAXATION WITH PROVINCIAL TREASURERS

Hon. J. A. MacLean (Malpeque): I have a question for the Minister of Finance, Mr. Speaker. During the recent conference between himself and the provincial treasurers did any discussion take place concerning whether or not the increases in the combined rates of taxation, provincially and federally, have jointly passed the point of diminishing returns?

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker.

Mr. MacLean: Is it the intention of the Minister of Finance to suggest that discussion of this point should be on the agenda at the next such conference?

Mr. Benson: No, Mr. Speaker, because I do not believe it to be the case.

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POLLUTION

CONTAMINATION OF MANITOBA WATERS BY DRYDEN CHEMICALS AND INTERPROVINCIAL CO-OPERATIVES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Fisheries and Forestry. In view of the fact that the government of Manitoba has filed a statement of claim against two companies alleged to have contaminated waterways in Manitoba, can the minister assure us, in so far as the matter comes within his jurisdiction, that Dryden Chemicals Limited and Interprovincial Co-operatives have ceased to discharge wastes?

Hon. Jack Davis (Minister of Fisheries and Forestry): They have ceased to discharge wastes to the extent of 95 per cent or better; I expect them both to be down in the order of 99 per cent in the next few weeks.

* * *

IMMIGRATION

REASONS FOR DECREASE IN NUMBER OF CHINESE ADMITTED TO CANADA

Mr. S. Perry Ryan (Spadina): My question is addressed to the Minister of Manpower and Immigration. Would the minister explain to the House the drastic decrease in Chinese immigration from 6,655 in the first nine months of 1969 to 4,232 in the first nine months of 1970?

Mr. Speaker: Order, please. This is the kind of information which should be given to the House by way of a statement on motions.

Inquiries of the Ministry

TRADE

ALLEGED IMPORTATION OF KOREAN TOBACCO

Mr. W. B. Nesbitt (Oxford): I have a question for the Minister of Industry, Trade and Commerce. Can the minister tell the House whether or not three million pounds of Korean tobacco were imported into Canada during the last two months for use by Rothman's Tobacco Company?

Mr. Speaker: This kind of question ought to be placed on the order paper. If there is urgency it may be discussed at ten o'clock.

Mr. Nesbitt: On a point of order, may I say that the tobacco auctions are in progress at the present time, and this is a matter of urgent importance to the industry in light of its marketing activities.

Mr. Speaker: If there is urgency which is still not apparent to the Chair, perhaps the minister might reply quickly.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Do I understand that the hon. member has in mind imports of flue-cured tobacco from Korea?

Mr. Nesbitt: Yes, Mr. Speaker.

Mr. Pepin: If that is the case, I have checked with the Dominion Bureau of Statistics and I find there is no record of such imports in the first 11 months of the year. This is all the information that I have up to the present. Now that the hon. member provides me with further clues, I will be glad to try to procure any additional information I can.

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FINANCE

GOVERNMENT EXPENDITURES IN RELATION TO GROWTH OF ECONOMY

Mr. Lloyd R. Crouse (South Shore): I wish to address a question to the Minister of Finance. In view of the fact that government expenditures have risen by 58 per cent in the past four years while the economy grew by only 36 per cent, is the government making any plans to review its expenditures so as to keep them at least in line with the growth of the economy, thereby assisting in the control of inflation?

Mr. Speaker: Order. I will not allow the minister to reply to the question. The question should be placed on the order paper. In any event, it is not the kind of question which can be asked during the question period.

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CAPE BRETON DEVELOPMENT CORPORATION

PETITION RESPECTING PENSION PLAN OR IMPROVED EARLY RETIREMENT BENEFITS FOR FORMER COAL MINERS

Mr. Donald MacInnis (Cape Breton-East Richmond): I have a question for the President of the Privy Council. Inasmuch as he has now had an opportunity to review the petition placed before the House in connection with section 18 of Bill C-135, can the hon. gentleman indicate what his intentions are in this respect?

Hon. Allan J. MacEachen (President of the Privy Council): The only aspect of the question I have been considering is the procedure by which the petition could be considered by the House or by a committee. There have been discussions with the Minister of Regional Economic Expansion and his Parliamentary Secretary, and with the chairman of the standing committee. It may be we can work out a method by which the petition can be considered by that committee. I believe there is a difficulty which hon. members can appreciate: if formal reference of the petition were made to the committee, similar petitions in future would have to be dealt with in the same way. This is a matter which has some consequence from the point of view of our over-all operations. Nevertheless, because of the special nature of the petition and especially its origin, I am particularly interested in having it considered in some place.

Mr. MacInnis: Am I to understand that the government is reluctant to allow a well-established precedent to operate here?

Mr. Speaker: Order, please. I would think that this is argument. It would seem to me that perhaps what we should do is allow the hon. member and the President of the Privy Council to go into the matter together and try to find a solution, as suggested by the Chair originally.

Mr. MacInnis: I rise on a question of privilege, Mr. Speaker. I think my question of privilege is well established by the question of privilege with which the Prime Minister got away a few moments ago. When the petition was tabled I co-operated with the House and with the House Leader and gave him every opportunity to study the petition and the bill. With regard to sending it to the committee, it was my hope that the government would see fit to send it to the committee for study, and also that it would be sent to the justice and legal affairs committee, with the emphasis on the justice. We have before us—

Mr. Speaker: Order. This is not a point of order or a question of privilege. The hon. member's personal privileges have not been offended, to my way of thinking. I suggest to the hon. member that our chances of finding a solution to the important point that he raised the other day are much better than he may think. He will remember that when the question was raised before the House by way of a petition I asked whether there was unanimous consent of the House, and I gathered that we were pretty close to achieving that. I am hopeful that we may still be able to achieve this, but in view of the briefness of the question period I do not think we are helping the situation at this point by pursuing the matter as a question of privilege.

Mr. MacInnis: Then may I once again ask the Chair for guidance. Where does one seek justice? I have discussed this matter with the minister and the minister is reluctant to send it to the committee to be dealt with. I have

no idea where I should turn in that this legislation has not been implemented. Where in this country do you get justice?

Mr. Speaker: Order. The hon. member for Greenwood.

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HOUSING

MONTREAL—EFFECTS OF PROPOSED EXPRESSWAY—REPLACEMENT BY UNDERGROUND PROJECT

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the acting minister in charge of housing, who I believe is the Minister of National Revenue. In light of the statement made by the Secretary of State that the project for an expressway in Montreal would butcher several residential areas and demolish 2,000 houses and therefore should be replaced by an underground expressway, will the minister undertake to look into this matter and explore what action might be taken to discourage the one project in favour of the other?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, on behalf of my colleague I would be glad to take note of the question.

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[*Translation*]

FINANCE

REQUEST FOR ABOLITION OF THREE PER CENT SURTAX

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Minister of Finance.

With a view to meeting the request made yesterday by the Canadian Chamber of Commerce to the government, to remove the 3 per cent surtax, which would result in lower unemployment, does the government intend to reconsider its last decision and soon announce lower taxes, in view of the fact that taxes paralyze production and give free play to the escalation in the cost of living?

[*English*]

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, any changes in taxation policy will be announced in the House of Commons in the normal way.

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GRAIN

WHEAT—ACREAGE REDUCTION PROGRAM—APPLICATIONS FILED AFTER JULY 15, 1970

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, this question is for the Minister of Agriculture. In view of the numerous representations made in recent weeks by producers who, through no fault of their own, did not file their applications under the Lift program before the deadline of July 15, 1970, can the minister inform the House whether or not those representations have been considered and, if so, what has been the decision of the government?

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker, we have been giving serious consideration to the representations that have been made. Certainly we do not want to deprive any farmer of his payments under the Lift program through an honest mistake on his part. Therefore I have instructed the appeal tribunal in Regina to give a little more latitude in respect of the dates when applications were received but not to change the date on which the physical changes may have been made—that is, up to and including July 15 but not since that date.

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POWER

INVESTIGATION OF USE OF BAY OF FUNDY TIDES

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Is the minister in a position to report to the House the progress being made in his department on the harnessing of the power of the Bay of Fundy tides, and what future actions are planned in this regard? If he is not at the present time in that position, will he provide the House with an up to date report at the earliest possible opportunity?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I have nothing further to add to the report I made at the time of tabling the study regarding the Bay of Fundy power project. I would be glad to look into the matter further to see whether the departmental study has come up with any further conclusions, and in this regard I will take the hon. member's question as notice.

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IMMIGRATION

IMPROVEMENT OF APPEAL BOARD STRUCTURE TO DEAL WITH BACKLOG OF CASES

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. I asked a question of the acting minister yesterday concerning improvement in the structure and procedures of the Immigration Appeal Board in order to deal with the backlog of some 14 months in appeals awaiting hearing. Has the minister had this question referred to him and, if so, has he an answer?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, this question has in effect, been answered several times in the House, at which time it was indicated that the specific recommendations of the Sedgwick report and its conclusions and our own decision on them were considered to be of urgent importance, and that we hoped to be able to come forward with some proposals for the House before very long.

Inquiries of the Ministry

[*Translation*]

CONSUMER AFFAIRS

REQUEST FOR REGULATION OF SALE OF TOY FIREARMS

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I intended to put a question to the Minister of Justice but in his absence, I shall direct it to the Prime Minister.

Will the government consider the opportunity of bringing forward legislation to prohibit in Canada the import, manufacturing and distribution of false firearms sold as toys, in view of the proliferation of such toy guns and the dangers they represent for our youth and the police forces in Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know the matter of firearms has been raised in the past in the House and the Minister of Justice has said that he was examining it but, as I see it, if the question deals with toys, it should be put to the Minister of Consumer and Corporate Affairs who, as we all know, has already taken steps to protect children against dangerous toys. I will make sure that the question is drawn to his attention.

Mr. Valade: Mr. Speaker, I should like to put a supplementary question to the Prime Minister, since he has agreed to answer my question.

Since during the Christmas season a considerable number of toy firearms appear on the market, could the government take immediate steps to prevent such proliferation at this time?

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[*English*]

AIRPORTS

WINNIPEG REGION—GOVERNMENT PARTICIPATION IN SERVICING SMALL FACILITIES

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, my question is for the Minister of Transport. Is it the intention of the minister to phase out all federal government participation in servicing small airports by removing snow-clearing equipment and other DOT services in what is known as the Winnipeg region?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I would have to have something a little more specific as to the region, but I can assure the hon. member that there is no such policy. There may be an airport or two where something is being done, but perhaps we can consult in this regard and the hon. member can give me more specific information.

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AIR TRANSPORT

WINNIPEG-REGINA—REGIONAL AIR POLICY

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a supplementary question for the Minister of Transport. Now that TransAir has discontinued its service between Winnipeg and Regina, will the minister review the regional air policy for this area so that adequate regional air services may be provided and thereby maintain services at these airports?

Mr. Speaker: Order. This is obviously not a supplementary question but the minister might be allowed to reply to it so we can save 30 seconds.

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, I will take a look at this.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, may I ask the Minister of Transport when we can expect a full statement on regional air policy and the implications for regional airports so we can get a full measure of public reaction, hopefully in support of that policy?

Mr. Jamieson: Mr. Speaker, whether it be regional air policy or air policy generally, it tends to be an ongoing thing. I reaffirm the air policy stated about a year ago which added certain elements to it. There have been certain changes since that time. Perhaps the most appropriate place where we might be able to get full disclosure of the sort the hon. member wants is before one of the committees, and I would be happy to appear before such committee. However, I am not anticipating preparation or release of what might be described as a new regional air policy in total form in the foreseeable future.

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AIRPORTS

TORONTO—ANNOUNCEMENT OF PROPOSED SITES FOR NEW FACILITY

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I put a question to the Minister of Transport. I understand that the minister is considering four sites only for the second international airport near Toronto. In view of the fact that the minister has been considering this matter for over a year, can the minister give the House an indication of the target date for advising the House and the nation regarding these sites, having provided safeguards to prevent speculation, so that the Canadian people can have what has been called participatory democracy?

Hon. Donald C. Jamieson (Minister of Transport): It is precisely because we are anxious to have a maximum amount of participatory democracy that this problem has arisen. If we wish to make an arbitrary choice of a site and just lay it on the table as having been completed and done with, that is one thing. What we are seeking to do is to secure the maximum amount of co-operation and participation with the provinces and the municipalities, including metropolitan Toronto. In order to do this we have to give people choices and in order to make choices available we have to show alternative sites. The difficulty, as I have told the House on previous occasions, is to find a means by which we can prevent land speculation during this period of public participation. I am happy to say that I have the full co-operation of the government of Ontario and that our officials are meeting jointly this

week to see whether through the mechanisms that are available to both of us we can achieve that objective. The instant we have a means through which to ensure that there will be no land speculation the report will be released, and I hope that will be early in the new year.

Mr. A. D. Hales (Wellington): Mr. Speaker, I have a supplementary for the Minister of Transport. Has the minister some other alternatives to offer rather than a Toronto auxiliary airport?

Mr. Jamieson: I might offer you a slow boat to China.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Jamieson: I am afraid I do not understand the portent of the question and it might take too long to answer.

Mr. Speaker: Order, please. Perhaps this matter might be pursued tomorrow. If the hon. member would bear with me I would like to see the hon. member for Crowfoot and then the hon. member for Mackenzie.

Mr. Hales: Mr. Speaker, on a question of privilege, the Minister of Transport as long as a year ago advised the House that he would announce last September where the Toronto auxiliary airport would be. He has kept in suspense not only this House but all the people who are hanging on a limb as to where this airport will be. I asked the question not too long ago whether it would be north and west of Toronto and the minister said north, south, east and west of Toronto. I did not appreciate that answer but I said nothing at that time. Now we have asked the minister when he proposes to tell us the location of these sites and he offers me a slow boat to China. These people in this area want an answer—

Mr. Speaker: Order, please.

Mr. Jamieson: Mr. Speaker, I apologize to the hon. member if I was flippant. I honestly did not mean it in any serious way.

Some hon. Members: Oh, oh!

Mr. Jamieson: If I were going to put him on a boat, Mr. Speaker, it would be to a much more attractive location than China.

Some hon. Members: Hear, hear!

Mr. Jamieson: But seriously—

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Obviously we are going nowhere fast.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Is the minister still speaking to the question of privilege? It was hardly a question of privilege. It was more a point of debate, but the House may wish to allow the minister to reply to the member's question.

Mr. Jamieson: Mr. Speaker, I merely wanted to reiterate the point that this judgment we have made with regard to the phasing in terms of public disclosure has the full co-operation of the province of Ontario. If the hon. member or any others wish us to withdraw from our commitment to keep the people of the area informed on a proper basis, then we can go ahead and announce the site tomorrow, but until we have this assurance I think certainly the Chairman of the Public Accounts Committee would not want me to be put in a position where perhaps the Auditor General might accuse me—

Mr. Speaker: Order, please. I think I owe it to hon. members to bring to their attention that the question period expired three or four minutes ago. I realize this is an important point that was raised originally by the hon. member for Hamilton West. The hon. member for Crowfoot, the hon. member for MacKenzie and the hon. member for Halifax-East Hants have been trying to ask questions since the beginning of the question period. I will start with the hon. member for Crowfoot.

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GRAIN

POSSIBILITY OF INCREASE IN HANDLING CHARGES

Mr. J. H. Horner (Crowfoot): Thank you very much, Mr. Speaker. I should like to direct a question to the Minister of Agriculture. Now that the Canada Grain Act has been passed, is it the government's intention to allow the Board of Grain Commissioners to increase the handling charges, which would be taken right out of the farmers' pockets if this should come about?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, that question does not arise because the decisions that are made by the Board of Grain Commissioners respecting handling and storage charges are decisions made by that body.

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TRANSPORT

EFFECT OF GREAT LAKES ICEBREAKING OPERATIONS ON SERVICES ELSEWHERE IN EASTERN CANADA

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of Transport. Did the start of icebreaking operations on the Great Lakes last week mean a cutting down of such services elsewhere in eastern Canada and, if so, where?

Hon. Donald C. Jamieson (Minister of Transport): No, Mr. Speaker. I do not believe the decision to carry out some experimental work in the Great Lakes will have any effect on icebreaking in other regions.

Inquiries of the Ministry

GRAIN

PRESENCE OF RUSTY BEETLE IN WHEAT SHIPMENTS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I also have a question for the Minister of Agriculture. On November 17 he indicated to the House he would order a study of the whole question of contamination of wheat by the rusty beetle. Is he now in possession of this report and could he indicate to the House briefly what the situation is?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I did not say I would order a study. I said I would try to ascertain the facts. One of the facts that is important is that we have not had any claims in respect of contamination by the rusty beetle in grain shipments to our overseas customers.

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IMMIGRATION

PEOPLE'S REPUBLIC OF CHINA—PROVISION OF OFFICIALS TO ASSIST RELATIVES TO COME TO CANADA

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to ask the Minister of Manpower and Immigration, now that we have exchanged diplomats with the People's Republic of China, if he would make a statement on motions on what plans his department has for additional immigration officials on the mainland to provide opportunities for relatives of Canadian citizens to come to Canada from the mainland area?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I will certainly look into the question of whether a statement on motions would be helpful some time in the near future.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker—

Mr. Speaker: Is the hon. member for Joliette raising a point of order?

Mr. La Salle: Yes, Mr. Speaker. Since I have received this morning a telegram of which the Minister of Transport should also have a copy in hand, would the House allow me to ask him a question concerning a most urgent problem?

Mr. Speaker: I have reminded hon. members that the question period has been over for six or seven minutes already. Should the House agree—

Some hon. Members: No.

Mr. Speaker: The hon. member might perhaps ask his question tomorrow. I shall see to it that he is recognized at the very beginning of the question period.

[Mr. Jamieson.]

GOVERNMENT ORDERS

SUPPLY

ALLOTTED DAY UNDER STANDING ORDER 58—NON CONFIDENCE MOTION—CONDEMNATION OF FALSE HOPES RAISED BY GOVERNMENT—INABILITY TO USE TALENTS OF YOUNG PEOPLE BETWEEN 16 AND 24 YEARS OF AGE

Mr. André Fortin (Lotbinière) moved:

That this House condemns the government for having inspired false hopes among young people between the ages of 16 and 24 by assuring them that education pays, at a time when young people coming out of schools and universities find no outlet for their energies and no means of placing the knowledge they have acquired at the service of the people, because the government has been unable to introduce such financial devices as the compensated discount and the national dividend so as to enable the masses to benefit from the communal resource constituted by young people who are educated and better equipped than any previous generation to produce more efficiently, more abundantly and more economically, so as to assure the greater welfare of all Canadians.

[*English*]

Mr. Baldwin: Mr. Speaker, I rise very briefly on a point of order to renew the caveat which was filed by the hon. member for Parry Sound-Muskoka (Mr. Aiken) some time ago when a non-confidence motion was moved on behalf of a representative of the New Democratic Party. I do not intend to make a formal argument, and I shall not object to this motion proceeding now, because we feel that with some substantial improvement we might be able to support it. I simply wish to make plain that in allowing the motion to proceed, it is without prejudice to the view of our party that when we are in the process of dealing with the granting of supply to Her Majesty's government, it is the traditional right of Her Majesty's Official Opposition to move motions of non-confidence. I know that objection will be taken to this position by the hon. member for Winnipeg North Centre (Mr. Knowles), who is about to spring to his feet. I recognize that there is a very difficult problem here, and some day the hon. member, I, and other hon. members may have to place it before Your Honour.

• (3:00 p.m.)

May I conclude by saying that I hope this might be one of the matters at which the Procedure Committee might look. Quite properly, we should try to limit the number of non-confidence motions, but surely with 25 motions on opposition days it should be quite plain that in the past there have been too many dessicated and anaemic discussions, not because the subject matter was not a good one or because the calibre of the debate was not high, but because there was no vote to be taken at the end of the discussion. It would seem to me that some arrangement might be found by which motions which are dealt with on opposition days might be the subject of a vote, so that members on the government side who could not vote against the government because it was a non-confidence motion, might be free to take a position when suggestions are made urging the government to do something or take a less critical position than is involved in a non-confidence motion. I hope that this is one of the issues which the House and the committee might well discuss later.

Mr. Knowles (Winnipeg North Centre): I should like to join the hon. member for Peace River (Mr. Baldwin) in entering, briefly, a caveat. As a matter of fact, it is because of the caveat that he has entered that I must do likewise.

The issue that is raised relates to the question of which hon. members have the right, under Standing Order 58, to file motions on non-confidence days. I might point out to Your Honour that in Standing Order 58(3) there is a reference to the fact that opposition motions may be moved only by members in opposition to the government, but there is no suggestion that those motions may be moved only by members of the official opposition. The hon. member for Peace River has just said that this is a traditional right. I am sure he would expect me to challenge that statement. As a matter of fact, over the years there have been many occasions when amendments to the motion to go into supply have been moved by members other than members of the official opposition. It is true that under this new rule we have never sorted things out, but I do not think we have had it long enough for it to have become a tradition.

In the last session, however, when we were unable to reach agreement on whether someone else should have one of these non-confidence motions, we have found a way to propose one of them. The fact is that there are six in the year under the rule as it stands. We do not think the official opposition has any prior right to have all six of these motions. We think that at the very least the other parties should have one each, and that if we cannot reach an agreement among ourselves, it will have to be resolved by making appropriate motions and bringing the issue before the Chair.

What happened today was that this was the final motion in the current semester, and during that time only one has been a non-confidence motion. Therefore, by default, our friends of the Ralliement Creditiste will have a vote on their motion tonight. I am glad the default has been in their favour, but I suggest that when the time comes to argue it out, it should be clear that the official opposition does not have a prior claim to all six of the non-confidence motions and that there should be a ruling accordingly.

Mr. Speaker: My understanding is that both hon. members have decided not to argue the case. In view of this, I will deliver a non-ruling. It may be that some day the rule will have to be clarified in some way, and I hope I will not be placed in the position of having to determine who has a non-confidence motion and who has not. I think that it would be preferable if this were done by the terms of the Standing Order but, as the hon. member for Peace River suggested, it may well be that the Procedure Committee could look at this difficulty in due course.

[*Translation*]

Mr. Fortin: Mr. Speaker, in recent decades, the latest in particular, successive governments have based their economic policies on two broad principles. Even provincial governments have followed suit. Those principles are specialization and increased productivity.

Employment of Graduate Students

In their enthusiasm, because they thought they had found a magic solution, governments were hypnotized by the value of diplomas; they were forever speaking of "education" and "specialization". We now know the price of that enthusiasm.

When our fathers were young, instead of fidgeting at their desks in the classroom, they rushed to the woods in order to earn some money on which to live. They were jacks-of-all-trades and the only diploma of which they could boast was one in resourcefulness.

Our fathers experienced hard times. Indeed, their generation went through a succession of economic crises and wars, which left them no respite.

Today, governments are again driving those people to the wall, telling them they must have education, diplomas or some special skill.

Our governments have therefore invested billions of dollars in the construction of schools, in comprehensive schools, school renovation, recruitment and training of teachers. That was the period of Parent reports, Operation 55 and many other projects of both provincial and federal governments. There, Mr. Speaker, the federal government did not take a back seat.

However, the movement should not have stopped there. Once our governments had found the soltuion, which was education, they should have applied it thoroughly. It had indeed been sorely lacking.

That is why the federal government is in turn taking the lead and setting up adult education programs through its Manpower Training Centres.

Fathers and mothers as well who as children only got distant glimpses and dreams of school, are now being paid the equivalent of a salary by the government to make up for lost time. They are being offered an elementary course, then a secondary course and finally, to crown it all, vocational training. However, after that, there is no job.

• (3:10 p.m.)

This is tremendous for our puppet governments. In fact, those who otherwise would live in poverty are now living on hope. They are getting paid and, in any case, they would probably be getting welfare. Furthermore, these programs suit the government because it is normal to do everything so that these people may have the chance to get an education.

It is a political play to get votes.

Finally, while they are studying these people are not looked on as unemployed. So they are not adding to the already frightening unemployment figures which are further evidence of the government's inefficiency. This is what counts most for the latter.

The situation is quickly outlined, Mr. Speaker: everybody in school! The slogan is the following: Education will save you. It is the solution to our problems of poverty, economic injustice and wealth distribution, that is production distribution.

I think that there is no over-all solution to our economic and social problems. However, let us not put all our eggs in the same basket because when we drop it, we shall have quite an omelet. This is what is taking place today.

On Friday, December 11, 1970, on the front page of the newspaper *Le Nouvelliste,* of Trois-Rivières, there was the following heading: "476,000 unemployed in Canada and Quebec holds the record for unemployment in this country". Let me quote part of this article quite descriptive of our situation:

> The number of unemployed in Canada has increased by 57,000 and reached 476,000 in November last, the Minister of Manpower and Immigration and the Dominion Bureau of Statistics disclosed Thursday in a joint statement.

This increase in the number of unemployed raised the gross unemployment rate to 5.7 per cent, from 5 per cent in October.

As for the labour situation, it is stated that it may vary from October to November. However, the number of employed workers stood at 7,924,000 in November, a drop of 69,000 from October.

And this is not happening only in the province of Quebec.

Mr. Speaker, the same problem is just as acute in every province. This is—and I want to say it straight out—the total failure of this government's economic policy.

That is why I move, seconded by my colleagues of the Ralliement creditiste, the following motion:

> That this House condemns the government for having inspired false hopes among young people between the ages of 16 and 24 by assuring them that education pays, at a time when young people coming out of schools and universities find no outlet for their energies and no means of placing the knowledge they have acquired at the service of the people, because—

And this is where we find, Mr. Speaker, the incompetence of the old parties in economic matters.

> —because the government has been unable to introduce such financial devices as the compensated discount and the national dividend so as to enable the masses to benefit from the communal resource constituted by young people who are educated and better equipped than any previous generation to produce more efficiently, more abundantly and more economically, so as to assure the greater welfare of all Canadians.

Indeed the number of unemployed has increased by 44,000 in Ontario, by 28,000 in British Columbia, by 25,000 in Quebec and by 23,000 in the Prairie provinces. It is not merely a problem concerning Quebec; it is a national problem.

The rate of unemployment has increased in Quebec from 6.8 per cent to 1.2 per cent. It cannot be said that the government of Quebec ignores that problem. Indeed this shadow government has as a matter of fact won the election by promising 100,000 jobs. Up to now this plan has been a failure. Indeed in its last annual report the Economic Council of Canada estimated that only 3,000 jobs would be created this year in Quebec, which would not be much of a success.

But today 168,000 jobs would be needed to regain control of the situation. Through its anti-inflation policy the federal government has directly contributed to the increase of unemployment all across Canada. The economic policy followed by the government under the present Prime Minister (Mr. Trudeau) has led to complete failure.

To show the shortcomings of this economic policy of the Liberals, one merely has to point out that while graduates were being produced, a matching number of opportunities should have been created, and this the government has failed to do.

Mr. Speaker, the specialized magazine *Supply and Demand* indicates that the number of employment opportunities for university graduates has increased by a mere 3.4 per cent since 1969 whereas the number of graduates has gone up by 10 per cent during the same period, increasing at a rate twice as fast—if not more—as the number of job openings.

And for the province of Quebec, the Minister of Labour about a month ago predicted that next year 48,000 CEGEP graduates will not be able to find jobs corresponding to their educational levels.

This situation is serious, not to say upsetting, when one considers that its victims are the same young people who were promised a happy society where they would find freedom and security since their degrees, they were told, would secure a stable job for them. But today, what do these degrees secure for them? Idleness, disappointment and despair. Why? Because the present government simply does not have a monetary policy.

And our governments are directly responsible for this situation, which they literally created.

[*English*]

The greatest myth of the post-war years, Mr. Speaker, has been that of "more jobs, and better jobs through more education." We have already examined the results with respect to the young people who innocently believed this myth. More jobs, Mr. Speaker? Better jobs? They don't have any jobs at all! But even worse for the country is the fact that governments believed the myth, and so every government from Newfoundland to British Columbia poured money into education. And Ottawa was right out there in front, paying 50 per cent of the operating costs of Canadian universities, as well as financing the Canadian student loan program.

The Economic Council of Canada tells us that education is the biggest expense of governments in this country. Already public and private financing of education runs to over $5 billion. And what is the result? Young people coming out of universities with their degrees can't find jobs. It costs $40,000 to educate a man to the point where he receives a Ph.D. degree, and yet Dr. Frank Kelly, Science Adviser for the Science Council of Canada, last month said that half the Ph.D. candidates getting their degrees next year will not be able to find employment.

Somewhere, Mr. Speaker, somebody has made a horrible mistake. Billions of dollars are spent on education,

and now students cannot find jobs. Mr. Speaker, the government has failed those students. And worse, far worse, it has failed the many unemployed people in this country because, in spending those millions and billions of dollars on education, it has deprived the poor and the uneducated of jobs and of a decent life that could have been created if the money had been spent on them.

[*Translation*]

We might understand why so much was spent on education if at least we had managed to give the poor, the underprivileged and rural citizens a chance to enhance their standard of living. But how can they benefit from it? How can the poor afford to attend university when tuition fees exceed $500?

There are 476,000 unemployed in Canada, including 212,000 under 25. Are those young people entitled to benefits under the current unemployment insurance program? Let us briefly examine the situation. They are not eligible because they are too young. This is preposterous indeed! To be eligible for unemployment benefits, a chap must have worked 30 weeks during the two previous years, including at least 24 weeks during the last year.

• (3:20 p.m.)

How many young people who just left school and cannot find employment fulfill this condition? Even if they could, they would receive approximately $40 a week. What happens if they take a federal government sponsored retraining course? They get an average of $65 a week. The government spends over $500 million to finance these courses, but can a young unemployed worker be eligible for one? It is very difficult, if not impossible. To do so, he should have completed his studies one year before or have been working for three years.

In fact, only 31 per cent of those who took these courses last year were unemployed workers. The others had provisionally left their position and intended to resume it as soon as the course was over. There is thus no hope for our young people.

What was the reaction of the right hon. Prime Minister in the face of that serious situation? He merely replied, woefully, as usual, and I quote:

> Through our fiscal and monetary policies, we can hardly propose to be discriminatory towards the old in order to favour the young.

That reply is shameful and unacceptable, especially coming from a Prime Minister who is a young "little old bachelor".

I urge that students be paid a salary so they will no longer be penalized for being students.

I urge that the government revise its investment policy, that it cease to use it as a marvelous tool for patronage and use it instead to stimulate the economy in particularly underdeveloped areas.

I urge that the liberal government quit wasting our natural resources through inaction and that it set up development programs for areas until now overlooked or neglected, such as Northern Canada for instance.

The young people of this country are ready and willing to work; they went to school in order to get the required training. Let the government give them now the opportunity to do something.

The young people are available. The task of building a country appeals to them. But the government should wake up and develop those vast natural resources, thus providing our youth opportunities for the future and allowing Canadians to take advantage of those natural resources.

I urge the government to give equal considerations to the student and the father, and to stop causing discrimination.

I urge the government to stop burying its head in the sand with its economic policy deliberately twisted to hide the real problems, and finally to acquire monetary and financial modern instruments in order to give each human being, whether he is educated or not, a graduate or not, without any regard to his age, sex, the thickness of his wallet or his social rank, economic security while respecting his freedom.

Furthermore, Mr. Speaker, what have this government and the previous one been doing? They have said to the people during the election campaigns: Go back to school to increase productivity. In fact, they have created a myth out of nothing, deluding the people, making fun of them, creating conditions which they wanted to be temporary while hoping that it would give a semblance of prosperity.

Today, Mr. Speaker, the awakening is brutal. The figures which I quoted earlier clearly show the direct result of the government's economic policy which has done nothing but create unemployment.

I remember that during the federal election campaign, the Minister of Industry, Trade and Commerce appeared on television and radio in Victoriaville and Drummondville and repeated with his usual smile, that the Liberal government was the best tool to fight unemployment.

Mr. Speaker, the people believed that. The Liberal government said: "Give us a strong majority, in order that we may act." This government has no valid reason to remain idle. However, 42 per cent of the unemployed in Quebec are less than 25 years of age. There is the result.

Young people had been told: Go back to school, be brave; we shall build schools for you and provide you with teachers, in short, nothing will be missing. Go back to school so that we shall have peace while you are there. So, the young people went and studied, but once the course was over, they could not find a job. This problem is so serious, especially in Quebec, that a so-called competent manager succeeded in getting elected, thanks to a simple slogan: "100,000 jobs". Yet, the individual is not thinking of "100,000 jobs", he would be satisfied with only one.

All that the present government has been able to do is to get into trouble.

What do old party governments do? Instead of trying to get at the root of the evil, they take one particular

aspect of the economic problem, inject all the money they can into one sector, make maximum investments, putting all their eggs in the same basket. Then they make an all out effort orchestrated by radio and television publicity emphasizing electoral programs of all kinds.

After people have been fooled for two, three or four years, it is realized that something went wrong, that the program was a flop.

As a matter of fact, in the last decade, the government has said: Education will be our salvation; we lack education and specialization. The government invested millions of dollars in education, but we have not made any progress.

Education in itself is not bad, Mr. Speaker, but it is not the cause of our problem. That is why no solution has yet been found. The problem is more serious today because people have a greater awareness of it than before.

At the same time, the government has said: To have prosperity, to do away with poverty, productivity must be increased. Let us produce! We do not know why, but let us produce!

The government has invested more millions and said: Let us produce! And so doing, the government has failed to remember that people were also consumers; it has ignored the problem of consumption in an economic system. "Consumption" is a word which does not exist for the government. It is concerned with foreign policy because such policy is paying. It is not interested in finding a solution to the problem judging from its administration. This is why the government is solely responsible for the situation.

Farmers and other citizens would be most happy to work. Manpower is not scarce neither are the schools. There is education. What is lacking then? A little common sense, a little logic, that is balance in our economic system.

As for myself, I would rather be a Créditiste than a government member. If Liberals find the Créditiste solution funny I see nothing funny about the present situation. That is why I think that we must tackle the basic problem.

We do not ask that Social Credit be implemented tomorrow morning, Mr. Speaker, but simply that it be considered. We ask our colleagues to do like us when the government compels us to adopt its policies with the help of its majority in Parliament while it does not even respect the views of its own members.

As for us, we study the government policies and the white papers and in the light of the situation, we form our own opinion quite sincerely and honestly. We advocate some solutions in order to act efficiently. Besides, my colleagues will make positive speeches in order to set out these solutions.

Mr. Speaker, we will then see the reaction of the hon. members opposite. They are already beginning to laugh. They find the Créditiste solutions funny.

I see the hon. member for Lévis (Mr. Guay) and that reminds me that I have received a letter from one of his constituents who would like his representative to stop laughing and start working. Mr. Speaker, I could show this letter to the hon. member for Lévis.

This is a typical example of those who find our suggestions funny. This member sends circular letters in my constituency to say to the farmers that the government will solve their problem of milk production. He tells the same thing to the young workers. Perhaps it is because he does not feel at home, I don't know. In any case, it would be better for him to mind his own affairs and take part in the business of the House.

• (3:30 p.m.)

What people want is to see their members at work, not just joking around.

The least we ask the government is to consider the economic policy advocated by the Creditistes. Probably there are good things in the NDP the Liberal and the Progressive Conservative parties, but there surely are in the Creditiste party and we would ask our hon. colleagues to adopt with respect to us an attitude similar to the one we adopt with respect to them.

Today, we blame the government for having caused unemployment. There is certainly a cause to this problem and the government cannot blame it on the lack of education and qualifications on the part of our workers.

It is true that there is unemployment. But even when we have succeeded in creating jobs, we will not succeed in solving the problem of poverty unless we ensure every citizen his share of our production.

In other words, the problem in government for the past 20-odd years has been that our policies have put too much emphasis on the productive aspect of our economy and of the individual, and not enough on the fact that as our industries become increasingly automated the individual feels more and more left out.

Mr. Speaker, we are clearly heading for a leisure society, where the workweek grows ever shorter and where jobs are increasingly scarce.

That is why I do not believe in full employment, because we are actually moving towards a leisure civilization. Labour unions try to shorten the working week. In fact, one can no longer require a worker to assume the same workload as a score ago.

Mr. Speaker, the economic system must be adapted to meet changing circumstances. We must once and for all recognize the consumption role of the individual and new policies must be developed to enable him to fulfill that role.

This is precisely where Creditistes step in to ensure respect of the human being, as well as his freedom and security.

Mr. Speaker, when one reckons social welfare recipients, senior citizens, unemployed workers, mothers and children, we see that a tremendous number of Canadians do not participate in production, while being consumers. That is the role we would like the government to

acknowledge, not by granting measly monthly allowances, but by following a really efficient policy so that these people may indeed take part in the economic life of our country. These people—be they disabled or able-bodied, old or young, graduates or children—all want to take part in the economic life of Canada.

Mr. Speaker, they are not dead wood to be carried with difficulty, but they are an asset in society in so far as society is willing to give them a chance. And to that effect it is necessary to acknowledge the role of consumption.

Therefore we blame the government in our motion because, and I quote:

—has been unable to introduce such financial devices as the compensated discount and the national dividend so as to enable the masses to benefit from the communal resource constituted by young people who are educated and better equipped.

Mr. Speaker, in order that the masses may participate in economic life, policies must be adopted which permit the individual to purchase products, so that new ones may be produced.

Mr. Speaker, the purpose of production is not producing for the sake of production, which would be as ridiculous as being elected to do nothing, like the hon. member for Lévis—

Mr. Guay (Lévis): Mr. Speaker, I rise on a question of privilege.

The Acting Speaker (Mr. Laniel): Order. Is the hon. member for Lévis rising on a question of privilege?

Mr. Guay (Lévis): Yes, Mr. Speaker.

Even though the Creditistes think they have a solution to all problems, it is my opinion that the member for Lotbinière should take care of his riding. As for me, I am able to take care of mine. I have proved it until today Mr. Speaker and I think that his groundless charges—

The Acting Speaker (Mr. Laniel): Order. It is hard for the Chair to admit the reasons for this question of privilege. It is rather a matter of debate and arguments. In my opinion the best solution would be to allow the hon. member for Lotbinière to complete his remarks and let him know that he has about 30 seconds to do so.

Mr. Fortin: Mr. Speaker, if the member for Lévis had been in the House when I started my remarks, I could repeat my statements since I cannot accept what he has just said. There is no overall solution to our economical and social problems. However, we should not put all our eggs into the same basket because if we ever drop it we will have a fine omelet.

When the people of Lévis will drop their member there will be a fine omelet!

Mr. Speaker, in closing my remarks, I urge my hon. colleagues to at least study and not shrug off our proposals on compensated discount and national dividend. The government may call this as they like but let them respect our request or at least let them study it so as to permit each Canadian to fully play his role not only as a producer but also as a consumer so that they may all enjoy the production now lying on store shelves.

Mr. Ovide Laflamme (Montmorency): Mr. Speaker—

The Acting Speaker (Mr. Laniel): Is the hon. member for Montmorency rising to ask a question?

Mr. Laflamme: Mr. Speaker, I intended to ask the hon. member for Lotbinière whether he would answer a question?

The Acting Speaker (Mr. Laniel): Order, please. Since the time of the hon. member for Lotbinière has now expired, it would be necessary to secure the unanimous consent of the House in order to allow him to answer the question.

Does the House agree to allow the hon. member for Lotbinière to answer a question from the hon. member from Montmorency?

Some hon. Members: Agreed.

Mr. Laflamme: Having listened to the speech of the hon. member for Lotbinière, I noticed, Mr. Speaker, that the hon. member talked about distribution of dividends. First of all I would like him to tell the House if this dividend is really the payment by the federal treasury of a sum of money to each individual?

Mr. Fortin: Mr. Speaker, I thank the hon. member for his question and I commend him for it. He shows a positive approach and I am pleased with that.

The answer is both complex and simple. It would be new credits issued by the Bank of Canada, according to the economic situation. Indeed, if production were greater than the purchasing power, the first role of the Bank of Canada, according to the British North America Act, would be to control the issue of money and credit. We want that bank to fill perfectly that role and that it be used to achieve balance between production and consumption.

It would therefore be new credits which would not be burdened with debts and which could be given to each Canadian in order that each may play completely his role as a consumer.

This is certainly not a tax.

Mr. Laflamme: Mr. Speaker, I put this question to the hon. member because I am seeking to understand him, since he has asked us to try to do so. According to what he has just said, the new credits to be distributed would be provided by the Bank of Canada. Then, how could these new credits differ from a simple issue of money to be distributed among the Canadian people?

Mr. Fortin: Mr. Speaker, I shall answer this question by giving an example. When the Canadian government provides interest-free loans to foreign countries, it does so by means of new credits.

Mr. Speaker, we want the government to do the same thing in favour of the Canadian people. The question is not to resort to a "dollar machine" according to an old parody on Social Credit. At the time, it was done to win at the polls. I put the blame on no one. This was part of an election campaign. Nevertheless, the fact remains that there is no question of a "dollar machine" to be activated whether we have gas to feed it or not.

The National Monetary Commission, the creation of which we are calling for, is the driving agency that will enable the Bank of Canada, to set after consultation the necessary amount of currency. That does not necessarily means new credits. This is the compensated discount. As a matter of fact, this is not money we give to individuals. It is a discount the government grants to dealers so as to establish a balance between what a person has in his pockets and the price and value of the products in the store.

The object of that is to enable the sale of products. There is no question of minting money without rhyme or reason.

I believe the hon. member understands what I mean. A compensated discount means to give the dealer and the individual the means of establishing an economic balance, so that the consumer may play his consumer's part fully as regards production.

In short, the National Monetary Commission would be neither more nor less than a consulting agent to the Bank of Canada and the Bank would act as a driving agency to maintain a proper balance in the economic system so as to preserve us from inflation or deflation so that consumers may play their part fully.

Does the hon. member believe that answers his question?

[*English*]

Mr. Don Mazankowski (Vegreville): Mr. Speaker, at the outset may I commend the hon. member for Lotbinière (Mr. Fortin) for bringing this important and urgent matter before the House this afternoon. The subject matter of the motion, which concerns the alarming increase in unemployment among our young, is one which ought to be considered most urgently. At a time when we are encouraging our young people to acquire more education, when we are encouraging them to invest in their future by acquiring new skills and abilities and when we are encouraging them to invest a greater equity in their education, we find this country caught in the web of the gravest man-made crisis that has ever been perpetrated deliberately on any country in modern times. I believe that the question of adequate job opportunities affects not only our young people but affects equally all Canadians as well.

The statistics reveal a most disturbing aspect of our unemployment picture. Apart from the magnitude of the number of the unemployed, it is clear that unemployment is greatest in that group which is 24 years of age and younger. The seasonally adjusted rate for this group is an alarming 11.2 per cent, almost double that of their senior counterparts. That this should happen in a country like Canada which has an increasingly youthful labour force is, in my opinion, an outright shame. One of the most important resources in our country is people. The young people of Canada are certainly a viable and important resource. Therefore, the development of these people, combined with the harnessing of their energies, abilities and talents is important. The current hardships, disappointments and the frustrations facing our young people in search of employment will have far reaching effects and long lasting implications on the social fabric of our society. These detrimental effects will be prolonged and adverse to the future progress of our country. I submit these effects can be very ill afforded at this time.

• (3:40 p.m.)

If Canada is to survive in the post industrial era, it must develop its skills and technologies. In order to develop these skills, it must provide the educational means. It must also provide adequate employment opportunities in order to utlilize those skills and achievements. If we compare the areas of science and industry in the United States with those of other countries, we find that the leadership in the technological and industrial sector of that country is largely the result of the pre-eminence of education and the employment opportunities in that country. The technological gap that is accruing between the United States and other industrial societies is largely because of the lack of education and job opportunities in other countries, particularly in the fields of research and development. Statistics bear out very clearly that the strength of the economy of any country is in direct proportion to the degree of enrolment in colleges and universities. If the opportunity to utilize skills is not available, in a matter of time people will be discouraged from attaining higher degrees of education. This situation is developing in many European countries today, particularly in Britain.

Of the total population in the United States between the ages of 20 and 24, 43 per cent are enrolled in post-secondary education courses. The enrollment in Russia is 24 per cent; France, 16 per cent; Germany, 7.5 per cent and Britain, 7 per cent. Canada has maintained a percentage of approximately 22 per cent, certainly above the average of European countries. However, this situation is now being threatened because of the uncertainty of adequate job opportunities. If this condition is allowed to continue, it will prompt the export of our talents at a very great loss to Canada, not only in terms of investment, but in skills and resourcefulness. The end result will be that Canada will become nothing more than a country of technological colonialism.

As pointed out by the hon. member for Lotbinière (Mr. Fortin), those with Ph.D's are having a problem. I understand almost half of the graduates will be unable to obtain suitable employment. At a reported cost of $150,000 per student, this becomes a very wasteful and inhu-

man exercise. Developing our human capabilities is our ultimate goal. Harnessing those capabilities through science, technology and managerial infrastructure will become increasingly important. Without these ingredients, progress will become substituted for imbalance, backwardness and economic retrogression.

Many parents have deliberately placed themselves under very severe hardship and strenuous obligation so that their sons and daughters may acquire an education. The need for educational facilities also creates hardships and sacrifice for the average taxpayer. Today a vast number of these young people are unable to secure employment of any kind. I remind Your Honour that, as in many areas, the government had ample warning and an abundance of time to react to the current situation. It has again shown its arrogance and contempt for people and has elected to deliberately perpetuate the crises. When the government finally gets around to dealing with this acute situation, a fractional improvement in the rate of employment will be heralded as a great achievement.

The government is now engaged in retraining programs which are supposed to be a cure-all, but it is overlooking one very fundamental aspect, job availability. Why are jobs not available? I suggest there are many reasons. The primary reason is the monetary and fiscal policies upon which the government has embarked. Second, I believe that the uncertainty created by the white paper proposals on tax reform has affected industries, primary industries as well as resource industries. I had the privilege of serving on the committee which studied the proposals. In almost every instance, the implications of the white paper had a detrimental effect on the development in fundamental sectors of our industrial community, particularly the mining industry.

Another factor is the detrimental effect of the unpegging of the Canadian dollar. This has affected the competitiveness of Canadian industry on international markets, particularly the primary industries, all of which has aroused an industrial slowdown and has further aggravated the unemployment situation.

The retraining programs which I mentioned are naturally welcome. However, they will not solve the problem of job acquisition at a time when jobs are not available. If a student cannot return to the classroom, he will be forced into idleness, eventually becoming a burden to the nation, surviving only on the sustenance of the welfare dole. Similarly, increases in unemployment benefits will be of little value because the majority of those with whom we are concerned are job seeking for the first time and hence will be unable to qualify.

The people of this nation with whom we are dealing are not self-styled radicals, revolutionaries or computer smashers. They are average red-blooded Canadian citizens who wish to fend for themselves, their families and communities and to hopefully take their rightful place in society. They do not want anything more than the opportunity of being steadily employed, with the prospect of advancement, promotion and improved rewards commensurate with their abilities and initiative.

Employment of Graduate Students

Our youth engaged diligently in studies and training because they were assured of growing opportunities and the ultimate achievement of their rightful share of Canadian benevolence. However, these opportunities do not exist today. They are today nothing but a distant ideal. Senator Fulbright said:

> One of life's injustices is that young men must fight the wars that older men begin. To a great extent, the lives and hopes of the present student generation turn on the wisdom and judgment of the men of an older generation to whom the people have entrusted political power.

I am sure many young people today will analyse this statement with a great degree of thoroughness. In particular, they will question the wisdom of entrusting their future to a government headed by the Prime Minister (Mr. Trudeau) whom they accepted as one who would be responsible for the future of their precious ideals.

We hear from many quarters that young people are simply lazy and do not care to acquire gainful employment. A survey was conducted by the University of Saskatchewan Students' Union recently in Saskatoon. The minister is present, and I am sure he would be interested in the results of that survey. The results showed that 84 per cent of all students were actively looking for work last Summer. Only 39.2 per cent of them found jobs. The largest number of these, 31.3 per cent, found work as labourers; 20.5 per cent claimed they found jobs in technical areas, and 12.2 per cent of those who found employment listed their employment as being in a service area.

• (3:50 p.m.)

It appears that "who you know" is still important when it comes to finding a job, since 48.7 per cent of the students who found employment did so through personal contacts. A further 32.5 per cent found jobs as a result of direct application, while only a meagre, and I repeat meagre, 8.1 per cent were placed through Canada Manpower centres.

One of the most appalling statistics uncovered by the survey was that 81.5 per cent of all students who failed to get jobs indicated that they needed jobs to finance their next year at university. If even a fraction of this group, it was said, could not return to university in the fall because of financial reasons, the university would face an enrolment crisis.

Lack of student employment opportunities gives rise to a number of other serious difficulties. Last week the hon. member for Calgary North (Mr. Woolliams) questioned the Prime Minister and the Minister of Finance (Mr. Benson) on the subject of student loan repayment. The Minister of Finance gave a frivolous answer, suggesting that special concessions could be made in cases where the hon. member would furnish details; he would be pleased to take up the matter with the banks, he added. No mention was made of who was to bear the cost of additional interest. The minister suggested the period of repayment could be extended up to ten years if a special application were made. This is all well and good. But

who is responsible for the situation which has been created? I submit that it is the government, and that the government has a distinct responsibility to produce a policy to remove the pressure from students who are finding difficulties today in discharging their obligations.

The government continues to improvise last minute measures to deal with crisis situations which have deeply imbedded root causes, causes which are mostly of its own making, and unless the approach of hon. gentlemen opposite to the basic task of restoring faith in the Canadian economy changes, there is little hope for the future generation. Something must be done to end this serious situation and the resources of the government must be called upon, since the state of affairs I have described is a product of its own making. First of all, hon. gentlemen on the treasury benches opposite must take immediate and effective action to stimulate the economy, since unemployment among the young is only part of the larger problem of chronic unemployment which has existed throughout the tenure of the present administration. If we agree that tomorrow's leaders are today's students, we must give these students an opportunity to find ways of earning their education; we must provide productive means by which they can utilize their talents and abilities.

The government should also consider using tax incentives as a means of inducing companies to employ students, and, possibly, young people taking on their first job. These provisions could be administered in a number of ways but the most useful, in my view, would be one which provided for a program of permanently available work. It is my understanding that such a program is presently under consideration by a committee of ministers of education, and I believe the government would be wise to pursue such a course. Possibly a shorter working week might be considered. If those who are presently working are to be asked to support the chronically unemployed, it appears to be reasonable to consider the advantages of a shorter working week in certain areas.

We all know that the serious summer employment issue which existed among students earlier this year will continue to cause difficulties and hardship among students until a permanent system of utilizing student manpower is adopted. I think it is realistic to envisage a semi-permanent work force among this group, a work force which would contribute to society and to industry while at the same time imparting a sense of responsibility and challenge among our young people. I believe work is certainly necessary. It is an integral part of achieving a wholesome and invigorating life. Accordingly, the provision of work should be considered a priority. I am sure that today many of our young people are bewildered when they recall the pronouncements made by the Prime Minister some two and a half years ago. They responded to the call "Come, work with me"; they responded to his appeal to help build a just society. Today they are told that the just society is but a distant ideal, they are told we live in an age of clash and confrontation. To a vast number of young Canadians, the just society they were promised turns out to be a society which, for them, holds little future, little promise, little challenge and little opportunity. They stand on the threshold of a greatness which for them will probably never become a reality but merely remain a distant ideal.

[Mr. Mazankowski.]

I, therefore, propose the following amendment, seconded by my hon. friend from Gander-Twillingate (Mr. Lundrigan):

> By deleting all the words after the word "Government" on line eight and adding thereto the following:
>
> "has not adopted such fiscal and economic policies as would stimulate the economy and allow young people to better contribute to national growth."

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I welcome the opportunity provided by the hon. member for Lotbinière (Mr. Fortin) to debate the issue before us today.

The government's policy of deliberately creating unemployment, and of increasing unemployment as a method of fighting inflation, is in my view the most cold-hearted and callous policy that the administration has adopted during the past two and a half years of its existence. It has done immeasurable damage to individuals, to the Canadian economy and to society as a whole. Today, as a result of this policy, some 476,000 people are unemployed. This represents 6.5 per cent of our work force on a seasonally adjusted basis. It is the highest rate of unemployment in any industrialized nation of the world. This is not a very proud record for a government which was supposed to introduce us to the new politics in the 20th Century. Moreover, the result of this policy has been little improvement in terms of the fight against inflation. We find that it has had only a negligible effect and has but marginally decreased prices in Canada.

• (4:00 p.m.)

The policy of creating unemployment to fight inflation is essentially a farce. The cure is worse than the disease itself, though the disease is nowhere near the point of cure. This cold hearted approach on the part of the government may look good on paper to the Prime Minister (Mr. Trudeau), the Minister of Manpower and Immigration (Mr. Lang) and a few other ministers, but it certainly does not look good to the half million or so Canadians who are unemployed in Canada today, and particularly to their families.

There are many by-products of a policy such as this, one of which is that it is the young people of Canada who essentially are taking the brunt of the government's policy to fight inflation. Evidence to this effect can be found in the unemployment statistics for November. According to these figures, approximately 45 per cent of the unemployed of Canada are under the age of 25. The number of young people who are unemployed has increased drastically this year over last year. In 1969, 148,000 young people under the age of 25 were unemployed, whereas last month this figure had risen to 212,000. These young people are to be found in every city in Canada, and as I say they are taking the brunt of the government's policy of creating unemployment to fight inflation. Indeed, over 10 per cent of our young people in Canada today are unemployed.

I suggest also that statistics on unemployment do not necessarily tell the whole story; there is a lot of hidden unemployment. I know of a number of people who have dropped out of school but have not registered for employment for one reason or another. Some of them have been looking for employment and have given up. The same can be said of many young women and housewives who either need work or want to work but have been unable to find employment. I am sure the minister is aware that in my own province of Saskatchewan many of the young people usually leave the farms to find employment in the cities, but this year they have been unable to find work and have been forced to remain on the farms. Many of these people are not included in the unemployment statistics. There are also many other partially employed people, such as servicemen and repairmen, who have some work but not enough to make an adequate income.

Who are the unemployed of Canada today? They range from the unskilled worker to the university graduate. Earlier today, the House was told how many people with doctorate degrees from our universities cannot find work. The other day I was reading a British Columbia university magazine which contained the statistic that 52 per cent of the graduates from Simon Fraser University last year were unable to find adequate employment in Canada this year.

Most of our unemployed, of course, are not university students or graduates, since only a small proportion of our young people are able to attend university in Canada. Most of the young people who are unemployed do not have a skill; or if they do have a skill they are unable to find a job where they can use the little training they do have.

What does the future hold for these young people who are unemployed? Economists, both within the government and without, predict that by February and March the unemployment rate in Canada may go as high as 750,000 or 800,000 people. In May and June over half a million students,—pretty well 700,000 of them—will be coming on to the labour market and trying to find work. Many do so because they have no other means to earn sufficient money to enable them to return to university.

I would ask the government what it is going to do for all these extra people who will be seeking work. What answers does the government give to our questions, Mr. Speaker, and what proposals does it make? Today a member of my party asked a question concerning reports that 5,000 people were unemployed because foreign companies had made the decision to lay off its Canadian subsidiary's employees. The government was asked whether or not it had received reports to this effect, but again the government, with its same lackadaisical approach, replied that this was just a dream on the part of Stephen Lewis. The government shrugged the matter off; it fails to take questions about the unemployed seriously. The government lives in its little ivory towar somewhere up in the clouds and does not come down to earth.

I think the Prime Minister sees the unemployed simply as statistics on a piece of paper. He says: "Perhaps it is unfortunate that these statistics are there, but they have to be there if we are going to fight inflation". I ask, fight inflation for whom, and with what results? I suggest that what is happening is completely unforgiveable and that the government has to take full responsibility for its arrogant and cold-hearted approach not only to our young people but to the elderly and people living on fixed incomes. The government's approach is off-hand and ad hoc.

Many times, Mr. Speaker, I sit in my seat and wonder how many of the people who make the decisions in government really know what is happening in Canada today. How many of these people have ever worked on assembly lines, in a warehouse or industrial plant? Even further, how many of them have tried to apply for unemployment insurance or have tried walking to the welfare office to collect welfare payments? I suggest that government policymakers are so far removed from reality that they do not understand the problem. They are completely insensitive to the needs of thousands of people in Canada today. If these people are not careful, pretty soon the accusations they are making about our party dreaming will turn into a nightmare for the government, and worst of all for this country. It is about time the government did something positive and constructive.

In Canada, as in most countries of the western world, young people are taught to grow up with high expectations for the future when they leave the educational system. This feeling is perpetuated not only in our educational system but through the whole socialization process our young people pass through. We tell them that if they are diligent and hard working, they will be rewarded by making lots of money and living a very secure life.

A lot of people today believe that this is no longer true. Young people step from schools and universities only to find that at the end of the path there is no secure job for them that is rewarding and fulfilling. Instead, they find a job that does not offer any challenge to them; or worse, they find there is no job at all. Naturally this leads to frustration and to alienation in Canadian society. I cannot understand why some people are unable to recognize what is happening. As we look around us, we see many more young people dropping out of school, giving up on Canadian society, simply because they discover that what they were told for so long is not reality. Yet, as they look around them they see affluence and abundance. They see people with all kinds of money. They see governments with money to spend on unnecessary items.

• (4:10 p.m.)

Before the last war we experienced similar economic policies. Suddenly, when war broke out the government had thousands of dollars to spend on each and every young person. The government put them in uniform, trained them and sent them overseas. Our young people

are asking us most sincerely today why we do not do something constructive for them and give them the opportunity to work. These young people are not asking for a handout. I have met very few who want to accept welfare or are willing to live in that way. Because of this we are provoking despair and anger among these young people. We are encouraging young people all over our country to rebel. We have led them down the golden path. We have violence among the young people not only in the universities but outside as well.

Many middle-aged and older politicians stand up and denounce these restless students. They ask why these young people are so lazy. They call them bums, smear them with the big red brush and call them revolutionaries. They say they are trying to destroy the country and the society in which we live. It strikes me that they forget to ask some pretty fundamental questions. They never ask why there is so much despair at this time among the young people. They forget to ask what type of a system led to this despair, and motivated these young people to rebel and challenge the system.

As I stand here in this Parliament, I see our parliamentarians going further and further away from the people, becoming less and less relevant to many people in Canada. We stand around here every day and debate many problems that are important. Many politicians often speak in a patronizing way about these poor young people who cannot find work, but all of a sudden we close our books and forget about them. We do not do anything. It is this approach which is making this Parliament a much more irrelevant institution than it should be. At times we are a mere polite debating society in which we pat each other on the back; we are completely isolated from the world. I cannot tolerate that and I do not think the young people of Canada will tolerate it much longer.

In 1968 we had a new Prime Minister who spoke of a new approach to politics. He gave many young people a new grasp on hope. The young people went for him. The young people of Canada were behind this man; they worked for him and elected him Prime Minister. Now, two years later what do they have? They have a 19th century conservative who has only a little of the modern touch when it comes to style and dress. They have a man who has not changed anything that in a fundamental way would help the people of the country. I suggest that this man has broken faith with the tens of thousands of young people who supported him two years ago and who held high hopes for him and his government. Dozens of these people have come to me over the last few months. They ask why he does not help them. They say they thought he would be good and that he would change the system but that he did not do it. They ask why he does not listen to them and they ask why he has changed.

We can change the system, Mr. Speaker, we can make the system one in which people have work regardless of their age, their racial origin or where they live in Canada. I think a debate like this, if the government listens to it, can provide some positive alternatives. At this time I wish to move an amendment to the amendment that was submitted by the hon. member for Vegreville (Mr. Mazankowski). I move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That the amendment be amended by changing the period to a comma and by adding the following words thereto:

"and, in particular, has failed

(1) to pursue policies of full employment, and

(2) to amend the regulations governing manpower training and allowances so as to enable young Canadians leaving school and those who have been on the labour market for less than three years to receive a training allowance and training necessary to fit them for useful occupations.

Mr. Speaker, I have about four or five minutes left in which I should like to outline a few of my reasons for moving this amendment to the amendment moved by the member of the Conservative party. First of all, if we are to solve the problems of unemployment in respect of our young people, we will have to tackle the unemployment problem in general in Canada. Recently, while I was in Europe, many Europeans asked me in complete surprise why we had so many unemployed in Canada. This astounded them. I suggest that it astounds most Canadians that we should have so much unemployment. There is unemployment because the government has created it. I suggest that if we are to reverse this trend we must begin immediately to introduce programs and projects to stimulate our economy and produce work for Canadians.

Second, I suggest that if in the long run we are to solve the problems of unemployment, regional disparity and poverty, we will have to do something about regaining control of the Canadian economy. Once again today during the question period this problem was raised. We have a branch plant economy. We have a country which is basically an exporter of raw materials and an importer of finished goods. Thus, we export our jobs to the United States and to other countries. If we are to tackle problems such as unemployment, we must reverse the trend of continentalism in Canada and initiate a positive type of nationalism in which we can control and direct our own economy. Then, all Canadians will have jobs and will be able to enjoy a decent life like all people in this House today.

The other point I want to make is that the government should seriously consider amending the manpower retraining program because, as it is now, we find that a young person must be out of school for one year and must have been in the work force for one year before he become eligible for retraining. He must have been in the work force for three years if he is to be eligible for a grant. If a young person is unemployed and is eligible because he has been in the work force for one year he probably requires a grant. Many young people who are unemployed do not qualify for retraining. Because they do not qualify for retraining under the Department of Manpower and Immigration, these young people have become the front line troops in the government's war on inflation. They are the shock troops. They suffer the worst effects of the war on inflation. No effort is made by this government to help these people by amending the program so they might receive some assistance. We seem content to sit back and let these people go on welfare.

This government places the responsibility on the local municipality. This is not good enough.

We cannot keep on shrugging off these problems in the hope that they will disappear because they will not. I suggest we should have an immediate crash program in an effort to retrain these young people now so that they will not be roaming around unemployed. This would not only help the individuals concerned but would help our economy in general. Economists have said that we lose billions of dollars each and every year because people in Canada are unemployed. Why do we not put some of the unemployed university students to work teaching other unemployed young people skills so that they can make a contribution to Canada, to themselves and to their families.

In conclusion, I suggest that the government begin a new program to create jobs in Canada. This should include a program to regain control of the Canadian economy. In addition, the manpower regulations should be amended so that people with less than three years on the labour market could qualify for retraining and assistance. Finally, I suggest the government should begin immediately to institute policies that would make university education and other post-secondary education more universally accessible to all, regardless of one's financial background. If we do these things we are on the road to some progress in this country. If we do not, let us ask why our young people in Canada rebel and challenge the system. They challenge the system because your system has failed. They know you have failed them.

• (4:20 p.m.)

Mr. Deputy Speaker: Order, please. Before the Chair puts the subamendment before the House, may I ask whether any hon. members have representations which they may wish to make to the Chair with respect to the procedural correctness of the subamendment?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I should like to do so. If I may speak simply on the procedural correctness of the subamendment, I certainly have no particular objection to any number of amendments of a different form and kind coming before the House in a debate such as this, but it does seem to me that it is worth pointing out that the thrust of the most recent amendment is, in part at least, directly inconsistent with the thrust of the original motion. As I read it, the original motion indicates the feeling of the hon. member for Lotbinière (Mr. Fortin) that we have too much education, that it is a bad thing that we have so much education, and the amendment would suggest in effect that there should be facilities for providing more of it to a wider group of people. That inconsistency should be pointed out to Your Honour.

Mr. David Lewis (York South): Mr. Speaker, the Minister of Manpower and Immigration (Mr. Lang) was once a law professor. I hope he taught his students a little more logically than he is trying to teach the members of this House. The original motion by the hon. member for Lotbinière (Mr. Fortin) does not state that there is too much education. It suggests that those who are getting education are being misled by hopes for full employment so that their services could be used. He does not say that there should not be any more education or that there is too much.

Second, the subamendment moved by my friend, the hon. member for Yorkton-Melville (Mr. Nystrom), does not deal with education. It deals with training under the minister. He does not refer to university education but rather to training and allowances under the minister's department. The minister may want to run away from his responsibility to deal with the question posed by the subamendment, but he cannot suggest that the subamendment is out of order. It clearly follows the amendment before the House, and I agree with what it says, that the government has not adopted fiscal and economic policies to stimulate the economy. The subamendment goes on to say in particular that the government does not follow policies of full employment and has not amended the regulations under the minister's jurisdiction. I cannot for the life of me see what basis the minister has for his objection to the procedural propriety of the subamendment.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to make one short comment. I think the minister is merely nit-picking. I believe that the amendment points out that there is a lack of co-ordination between the educationl process and the ability to receive jobs, and the subamendment suggests that measures should be instituted to prepare people for useful occupation. After all, that is the content and purport of the motion.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): The contention of the minister that the original motion advances the theory there is too much education certainly does not indicate that the minister has read the motion.

An hon. Member: No, but he listened to the speech.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The motion indicates that young people coming out of schools and universities find no outlets for their energies and no means of placing the knowledge they have acquired at the service of the people. It then goes on to advance the particular monetary theories which the Ralliement Creditiste hold. The criticism in the motion is that young people coming out of educational institutions are unable to find employment. The latter part of the motion indicates why they are unable to find employment. If the subamendment moved by the hon. member for Yorkton-Melville (Mr. Nystrom) is out of order, then so is the amendment which indicates that the reason these young people are unable to find jobs is that the government has not adopted such fiscal and economic policies as would stimulate the economy and allow young people to better contribute to national growth. I agree with that amendment.

The hon. member for Yorkton-Melville has simply gone on to cite another area in which the government has failed. We contend that both the amendment and the subamendment follow logically upon the main thrust of the motion moved by the hon. member for Lotbinière. The main motion says that young people coming out of educational institutions cannot find jobs. The amendment says that is because of the government's economic and fiscal policies. The subamendment which we have moved says it is also because they have failed to carry out full employment policies and to establish a proper manpower program. It seems to me that both of these amendments follow in logical sequence from the main motion.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, there is a point I wish to clear up first very briefly. The hon. minister is putting words in my mouth; I never said that I was opposed to a higher education and the hon. members for York South (Mr. Lewis) and for Nanaimo-Cowichan-The Islands (Mr. Douglas) pointed out that I actually never said so; I urge the minister to follow the debate more attentively. I simply said that the government had not created a number of jobs proportionate to the number of university graduates.

Now, as to the point you are raising, Mr. Speaker—

[*English*]

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member. I do so to indicate to him that the House is now considering, for the assistance of the Chair, the point of order raised by the Minister of Manpower and Immigration (Mr. Lang). I think the hon. member for Lotbiniere (Mr. Fortin) could assist the Chair in that respect, but I would ask him please to direct his remarks to the point of order.

[*Translation*]

Mr. Fortin: Mr. Speaker, we feel this is rather a difficult problem for the Chair to settle. Indeed, it is never advisable to kill initiatives coming from either side of the House. A ruling on the opportunity of moving a subamendment on an allotted day, with regard to supply, is even less so. Every party has the opportunity of moving a censure motion followed by a vote on a topic it feels is fundamental.

That question makes the day allotted to the study of a Créditiste motion absolutely meaningless. We would be happy if your ruling helped to encourage parliamentary initiatives during supply. However, we wish to point out that we would not like this day to be anything but a Créditiste day. We want to take advantage of it to offer a Créditiste solution to problems which concern the House of Commons, but if the day is gnawed at by each and every party, it will defeat its purpose.

That is why I say that we will readily accept your decision. We will submit to it respectfully and we ask you to consider both sides of the problem. If each opposition party seizes the opportunity to gnaw at those allotted days to make them into Conservative or NDP days, we might as well do away with them.

• (4:30 p.m.)

[*English*]

Mr. Deputy Speaker: Order. The hon. member for Lotbinière (Mr. Fortin) has indicated his views, and I concede immediately that, in my opinion he has made a very good point. I can understand the concern of the hon. member and those in his party, that by the process of moving amendments and subamendments the points of argument that they wish to direct for the consideration of the House may be narrowed down.

I have listened to hon. members and I wish to thank them for their assistance to the Chair on the point of order raised by the minister. It seems to me, however, that the motion moved by the hon. member for Lotbinière, as the words that have been used in arguing the point of order indicate, has as its main thrust unemployment of young people and the steps the government might take in that regard.

That was followed by the amendment moved by the hon. member for Vegreville (Mr. Mazankowski), which was accepted by the Chair. It followed, I think therefore, that it was consistent with the motion of the hon. member for Lotbinière.

I have some difficulty, I must say with great respect, in accepting the argument that the subamendment proposed by the hon. member for Yorkton-Melville (Mr. Nystrom) is inconsistent in any respect that would give me any concern in relation to the motion and the amendment to that motion.

It seems to the Chair that hon. members in the House may have varying remedies, if I may use that word, and varying suggestions they may want to make to the government to correct a particular problem, and the thread of the problem is followed throughout, having been established in the main motion, and continued in the amendment and the subamendment.

So, having recognized the concern of the hon. member for Lotbinière, I would feel that speakers from his party would still have within the rather broad outlines that have been established, because the main thrust of the motion is of course the unemployment of youth and the various remedies that may be accepted, ample opportunity to deal with the subject of their motion.

Having said that, I do feel the amendment is in order, and if I may put it in a formal way now, it is moved by the hon. member for Yorkton-Melville (Mr. Nystrom) seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That the amendment be amended by changing the period to a comma and by adding the following words thereto:

"and, in particular, has failed

(1) to pursue policies of full employment, and

(2) to amend the regulations governing manpower training and allowances so as to enable young Canadians leaving school and those who have been on the labour market for less than three years to receive a training allowance and training necessary to fit them for useful occupations."

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, as I said when I rose on the technical point, I am pleased to have any amendments before the House on a day like this but from the procedural point of view I thought the technical point should be brought to your attention.

The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) did not of course have the opportunity during the early part of the debate to hear all of the words of the hon. member for Lotbinière (Mr. Fortin) or he might have been a little embarrassed at joining in what was a genuine attack on the purpose and the value of education in this country.

Mr. Douglas (Nanaimo-Cowichan-The Islands): On a point of order, Mr. Speaker. I was in the House when the hon. member for Lotbinière (Mr. Fortin) started his speech. I was here throughout his entire speech, and have been in the House since the debate started.

Mr. Lang: Well, Mr. Speaker, of course in that case I will be very happy if the hon. member rereads the speech and pays some attention to it in the translated version, because he obviously missed the original text.

The point I am making is that really, in the reading of a motion as the government has to do when it is put before the House by the members opposite, the government has to try to find what the thrust of the motion may be. It certainly seemed to me in reading the motion that the thrust was in some specific suggestion which the hon. member was going to make about monetary and fiscal policy, about a new version of standard Social Credit theory which has now been retranslated as a non-issuing of credit. Some other form of cranking the wheels has been devised which is meant to accomplish the same thing, but without the hazards of having to bear the reputation of all the past theories and the discredit they received.

This gave the government some difficulty in knowing how best to answer such a motion because we could review once again our basic view, the central view of how one must balance fiscal and monetary policies on the one hand in order to encourage growth, and how one must have a very careful hand on this throttle in order to ensure that inflation does not destroy the very soundness and viability of the economy in the process. This, as I say, seemed to be the thrust, and some other of my colleagues might well—

[*Translation*]

Mr. Fortin: On a point of order, Mr. Speaker.

Mr. Speaker: Order. The hon. member for Lotbinière on a point of order.

Mr. Fortin: Mr. Speaker, the minister stated that in my speech I introduced a new version of Social Credit theory. I wish to tell him in all fairness that those are the same proposals as before. If he wishes to run them down, he is free to do so—

Mr. Speaker: Order! The hon. member cannot rise on a point of order in an attempt to correct the minister's statement. The minister should be able to continue his speech without interruption.

[*English*]

Mr. Lang: Thank you, Mr. Speaker, although I must say I am pleased to have the qualification, because I seem to have the same trouble with the translation as does the hon. member for Nanaimo-Cowichan-The Islands, and I will read the text with some care.

The point I was making was that another of my colleagues might indeed have attempted to deal with this motion in view of that being the main thrust. However, on the other hand, the motion in those terms really needs no further serious treatment, since there is some increased understanding in the country about the inability to simply crank out money. The balanced monetary and fiscal policies which the government is pursuing in the attempt to promote both a reasonable amount of growth and control inflation are indeed sound, and the exact technical issue which has to be put before hon. members interested in this is the extent to which that growth should be allowed to take place.

One approach could have been the difficult economic argument concerning at what point you have in fact created too large a money supply so that inflation may go forward again, at what point you have created enough money supply to begin to take up the slack in the economy, counting in the balance sheet that new upturn in the economy which can take place when growth factors themselves go to work and produce additional growth and revenue for the treasury. However, in view of the fact that there is much understanding about this, it did not seem to be a serious point to pick up at that stage and in that way.

On the other hand, within the motion the hon. member included some words which touched me very closely, not in my present capacities so much as in my recent ones. I think I may have been the Member of Parliament most recently engaged in a full-time way in the education of our young people, the people who are putting themselves in a better position to contribute to our society, to obtain better jobs. It seemed an opportunity for me to take up these rather odd words in the motion, that there was an inspiring of false hopes, if I may select words which I read as key words, "false hopes... that education pays." Of course, when you listened to the hon. member for Lotbinière there was no doubt this was a good part of the theme of his speech, that education itself is a doubtful thing. He was critical of our program to expand vocational training and felt that we had spent far too much money on this. The facts are, however, that when other governments launched these programs to build vocational and technical schools in this country, we were seriously short of people with skills in the vocational and technical fields so the training facilities were needed.

Employment of Graduate Students

• (4:40 p.m.)

Hon. members opposite did not always share the theme of his speech and at least one or two of them did not share it today. I say "at least one or two of them" because of course the hon. member for Vegreville did seem to join in this view. He criticized our training programs as a "cure all". This seems to me to be completely inconsistent with the approach taken by the hon. member for Yorkton-Melville (Mr. Nystrom) in his subsequent subamendment. I am indeed pleased for the hon. member for Vegreville that some of his colleagues from Newfoundland and Nova Scotia, his Tory friends, were not in the House to listen to him criticize this program—

Mr. Lundrigan: A point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Gander-Twillingate, on a point of order.

Mr. Lundrigan: Is it within the rules for the minister to continue to perpetuate this kind of deliberate, unadulterated arrogance across the floor of this House? I wonder when the minister will get around to telling us what he is going to do about this problem. I have listened for ten minutes and I have never heard such arrogance in this House because—

Mr. Douglas (Nanaimo-Cowichan-The Islands): This is known as "ragging the puck".

[*Translation*]

Mr. Speaker: Order. I wonder if wasting any more of the time allotted by this House to the consideration of this important resolution will get us anywhere. I suggest that the minister proceed with his remarks.

[*English*]

I cannot suggest to the minister that he was not dealing with the motion; I assume that he was. If he was not he might want listen to the suggestions made for his guidance by the hon. member for Gander-Twillingate.

[*Translation*]

Mr. Fortin: Mr. Speaker—

Mr. Speaker: Order. I regret to interrupt the minister once again. This time, it is the hon. member for Lotbinière (Mr. Fortin) who is rising on a point of order.

Mr. Fortin: Mr. Speaker, the minister would certainly help keep the debate moving if he stopped putting in our mouths words that we never said.

I would ask him, once again, to consider what is being said in this House. So as to ensure the effectiveness of this debate, let him stop snaking around trying to turn the situation to his advantage, which is dishonest.

[*English*]

Mr. Lang: Mr. Speaker, I think I can assure you that I have been dealing with the words and suggestions of hon. members opposite, and I will be content to have the record show the nature of this debate. I recognize from the response of hon. members opposite that they are sensitive to the references to their remarks, and to a demonstration of the inconsistencies in which they so often engage when dealing with this subject and many another.

I said that it is the basic position of the government on the main thrust of the motion, and indeed on the amendment itself, that there must be a balanced approach to expansion of the money supply and the use of monetary and fiscal policies. I also said that at the same time we must try to inspire growth in the economy. The policies which have been announced recently have been exactly in that direction of trying to move the economy forward. It seemed possible and consistent with our fight against inflation that we could expand the monetary supply and use fiscal policies in the direction of an expansionary economy.

The hon. member for Yorkton-Melville made light of our success in the fight against inflation, seeming to ignore the fact that we have been making very substantial progress in this area.

Mr. Orlikow: Tell us about unemployment.

Mr. Lang: As a result, we have found it possible to move in favour of additional fiscal and monetary measures to bring growth back to the economy.

Mr. Orlikow: Tell us about the 500,000 unemployed!

Mr. Lang: As long as we have forces calling for higher wages and higher returns for themselves—rigid forces like big labour and big business and the professions with the strength to demand more than they should be getting—we will have this delicate dilemma of balancing the growth in the economy and the control of inflation.

A consequence of attempting this balancing is of course that there are some pressures on the side of unemployment. This fact has been recognized by this government and frequently distorted by hon. members opposite both inside and outside this House. To use the words of the hon. member for Yorkton-Melville, it is distorted as a "deliberate creation of unemployment".

An hon. Member: Isn't it? Of course, it is.

Mr. Lang: That is a distortion of the situation.

An hon. Member: Ask the Prime Minister. He says we will have 6 per cent unemployment.

Mr. Lang: Coming from Saskatchewan as I do, where we know the NDP well, I am not surprised that one of the first lessons taught by them to their members is the art of distortion.

Some hon. Members: Hear, hear!

Mr. Lang: This is easily learned by those in the NDP ranks who come from Saskatchewan.

Mr. Speaker: Order, please. The hon. member for Yorkton-Melville rises on a question of privilege.

Mr. Nystrom: I rise on a question of privilege, Mr. Speaker. The minister said that I am distorting the facts; I suggest that I am not. The Prime Minister said that we had to tolerate 6 per cent unemployment and I suggest that the minister—

Mr. Speaker: Order, please. This is debate; this is not privilege. Hon. members should know the difference between privilege and debate. I suggest to the hon. member with respect, that if he wishes to continue the point I can allow him to continue in just a moment, but it is not in order to seek the floor on an alleged question of privilege when the only thing he wants to do is to try to correct what he considers statements of facts. Perhaps the hon. member might have an occasion later on that would be procedurally correct to deal with what he considers to be a misstatement.

Mr. Nystrom: Mr. Speaker, on the same point of privilege, I suggest that the minister is imputing motives. I have taken part in the debate—

Mr. Speaker: It is not my understanding of imputing motives. I do not suggest that the hon. member does not have the right to be dissatisfied with what has been suggested by the minister. That is his right, but it is part of the debate. I would think that the hon. member might have an opportunity later, either by himself or through one of his colleagues, to try to rectify anything that he thinks was not stated correctly.

Mr. Lang: Mr. Speaker, I can certainly understand the hon. member being unhappy with my remarks as I was unhappy with his. We will solve the whole problem if he corrects the practice of misstating the views and statements which have been made on this subject by the government.

An hon. Member: Tell us what the Prime Minister said.

Mr. Lang: Economists everywhere understand that trying to achieve this balance is a very difficult issue. One of the reasons I wanted to enter this debate was the suggestion that education was misplaced in this country or that it was wrong to have further education for our youth as set out in the motion and the speech of the hon. member for Lotbinière.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Is the minister not going to discuss unemployment at all?

Mr. Lang: It is extremely important to have the faith which I and so many other people in this country have that education, training and upgrading are important and valuable, and that they will lead to better jobs, better conditions and higher productivity. The hon. member for Yorkton-Melville recognizes this in his subamendment. He recognizes the advantages of our training and upgrading programs. Many members have recognized these advantages in recent days by asking about the possibility of more programs. With the additions that have been made we will be spending $300 million for training and upgrading programs, a vast increase over last year. This is a program of great magnitude which is relatively young in this country and is using the very important facilities already in existence. This has come about as a result of a program of grants and assistance on the part of the federal government which has made the necessary technical training places available to our young people.

• (4:50 p.m.)

Considering the kinds of monetary and fiscal policies being followed in this country and the optimism we share for the future of this country, our proper role is one that will help to continue to train our young people and that will urge them to acquire an education so that they may undertake those jobs through which they will make a greater and better contribution to the life of this country. We shall continue these programs and we shall continue them because we are optimistic that the economy is essentially sound and that the unemployment figures, which now are a source of regret to all of us, will decline as the balance of our policies begin to work.

It has been said many times in this House, and repeated not too long ago, that the problem of inflation is serious. It has brought to bear pressures on prices, profits and wages in particular areas and on particular groups. May I say to hon. members, and I know that hon. members of the New Democratic Party will applaud, that I am not one to shrink from a policy of wage and price controls, if that should become necessary. I will say immediately that one ought to recognize the difficulties inherent in such a policy. One would ordinarily want to move to selective policies in this area rather than to general policies, because otherwise there would be difficulties. That course should be embarked on if it becomes necessary as a result of the failure of other measures which may be less restrictive and less confining, and which would not exert such a degree of dictatorial guidance on the economy as would be the case if outright controls were implemented. It is of course our unwillingness to accept readily that dictatorial guidance which leads us to hesitate longer than our friends opposite would hesitate in the introduction of such policies.

It is clearly the hope of this government that our policies of monetary and fiscal expansion will, together with a gradual realization on the part of those with power that certain restraints are necessary, lead to the growth in the country that is required. We hope that lower unemployment levels will result. In the booming economy which we shall again see, there will be a shortage as opposed to a surplus of those with education and with skills and training.

The hon. member for Vegreville, in a speech that was somewhat inconsistent with some of the other speeches which have been made, was worried about the outflow

from this country of people with higher training. His remarks were somewhat inconsistent in that other hon. members have blamed the government for allowing into this country people with higher skills, people with Ph.D's and other, higher training. Indeed, he suggested that we were becoming some kind of colonial land from a technological point of view because of this export of our expertise. The truth is otherwise. We are receiving more people with higher training, higher skills and higher education than ever before. I, for one, say that not only do we need more of our people to be trained so that we may carry on our development in the future, but that we should use these trained people who have come to this land from other countries as well.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the minister a question. He mentioned $300 million which is being spent for manpower training in this country. Could he tell the House what numbers are now in training and what will be the maximum figure that the minister expects we shall reach during this fiscal year?

Mr. Lang: Mr. Speaker, I can give the hon. member the figures for the last few years. One hundred and eighty-four thousand trained in 1967-68; 301,000 trained in 1968-69 and 300,000 trained in 1969-70. The figure for those who trained in the current year may be in the same order of magnitude as that for last year. Of course, the exact number trained depends a great deal on the actual mix of training, having regard to the budget amount that is available.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the minister one more question. What are the numbers in training at present, and what slack is there in capacity? How many more could the minister's department take on if he were to amend the regulations as we have suggested and take on some of those who under the present regulations are excluded.

Mr. Lang: Mr. Speaker, I shall try to obtain some information on that figure for the hon. member. Of course, it is also important to consider in this area budgetary limitations. That question raises the problem of the amount of monetary and fiscal expansion which is possible at present, as a result of the budget that is available. The problem with the subamendment of the hon. member is that it would adjust our priorities within the amount of money that is given to us, unless one were to abandon one's basic view as to the amount of fiscal and monetary expansion which is possible at the present time.

Mr. Douglas (Nanaimo-Cowichan-The Islands): We could find the money if we needed to.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, to judge the value of the motion moved by the Ralliement Créditiste, more specifically by the hon. member for Lotbinière (Mr. Fortin), one only has to witness the stirring in the House due to the amendments moved by the other two opposition parties as well as by the words of the hon. Minister of Manpower and Immigration (Mr. Lang).

This proves that the proposed motion deals with a real problem, I would say the real problem, that of having failed to establish the necessary financial devices.

We understand that this may at times anger the government but, Mr. Speaker, we are doing our duty and the Créditistes are not to blame if everyone knows that this is the real issue today.

And as it is in line with our philosophy to deal with this very problem, we are that much freer to emphasize it in a debate on such a motion as the one now before the House.

This motion of non confidence in the government takes its full meaning in these difficult times when young Canadians are at grips with a great number of problems from indifference to active and even passionate dissent.

• (5:00 p.m.)

Let us read our proposal once again:

That this House condemns the Government for having inspired false hopes among young people between the ages of 16 and 24 by assuring them that education pays, at a time when young people coming out of schools and universities find no outlet for their energies and no means of placing the knowledge they have acquired at the service of the people, because the Government has been unable to introduce such financial devices as the compensated discount and the national dividend so as to enable the masses to benefit from the communal resource constituted by young people who are educated and better equipped than any previous generation to produce more efficiently, more abundantly and more economically, so as to assure the greater welfare of all Canadians.

If we look at this motion, sentence by sentence, we are compelled to admit, Mr. Speaker, that the government has "inspired false hopes". Is such a remark justified? Unfortunately yes and in every respect. What high standard have we tried to instil in our youth?

Let us talk about the example given by elders who, let us be frank, are sometimes more or less honest not to say really backward and even old-fashioned. The behaviour of older people has never been very exciting for the young. Between an out-of-date conservatism and a timid evolution, such paralyzing and depressing behaviour deceives and disillusions the younger generation willing to put its overflowing dynamism at the country's service.

So it is all the more vexatious for them when, having been lured with bright prospects, they always end up in front of nothing. This is false hope.

When a great many of our young people, especially in Quebec, were dropping out of school early, the reason given for unemployment was this factor of academic disqualification represented by these famous "uneducated" people as they have been described by a former liberal premier in Quebec. And from everywhere, we have heard bombastic and ambiguous slogans: "He who gets into debts gets richer". "Education is money". "Qualifications are needed". "Future belongs to youth". Our young people did believe for a while—until they got out of our schools and universities only to realize that they had been misled. Yesterday they were uneducated

and unemployed, today they are educated but still unemployed. This is to prove, Mr. Speaker, that what was wrong, the real problem was perhaps less a question of education and ability than a matter of financial machinery that we failed to develop.

The necessity of studying and implementing new concepts and new formulas will never be emphasized enough. Those now applied are proof enough. The inextricable labyrinth to which they have lead us is there for all to see. From the highest director to the humblest taxpayer, the conclusion is the same: there is never enough capital and money, it is impossible to develop our resources for profit. Yet, Mr. Speaker, everything lies there: immense natural resources and abundant manpower that might even be insufficient if we applied, even a little, a creditiste economic policy.

Lastly, we also have the ability. All these young graduates from our institutions of learning are not asking anything else but to work as hard as they can to assure better production and better distribution and, finally, greater welfare for all Canadians. Educated and better equipped young people could make an open and honest contribution to the emancipation and fulfilment of the population as a whole. The difficult period we are going through holds a danger of irremediably engulfing generations of Canadians in the stormy, perturbing seas of violent dissent.

To be sure, most of our young people have an excellent mentality, but the longer we delay adoption of real solutions, the more the number of the violently dissenting increases. It is therefore high time that, putting aside all political partisanship or useless pride, we all get together, first to find out what is preventing our young people from reaching their full potential, then what are the adequate steps to be taken.

Now the matter of the adequate steps to be taken is what we are dealing with at present, and that is why our motion gets to the heart of the problem. That is why once again we emphasize the need to have money brought back to its proper role which is to serve people, and not the opposite where people are made to serve money.

Furthermore, if we wish our young people to go on living a dynamic, and active life and to really take part in the development of the entire country, then it is of the utmost importance that they be offered an alternative to the status quo which some people think is immovable, I mean the status quo within a system which is not to be changed for reasons we do not understand, then this is a proof that this system leads into blind alleys, that this system leads to nowhere and above all, as far as this particular motion is concerned, to conditions which dishearten our young people.

Hence, if we are to try and find solutions to all the problems now facing us, it is therefore more than important that we have money play its true role. The fact that certain principles are applied, such as the compensated discount and the national dividend, could not but add to the purchasing power which lies in the hands of each and every taxpayer and so, to better stimulate the entire economy. By doing this, we could further in a tremendous way the contribution which our youth can make to our country. We must give our young people a country to build.

Another political party in Quebec once used the slogan, "A country to build". Let us ask ourselves in this House whether we are really offering our young people a country to build.

Our immense resources, our immense wealth are there. Everybody sees them, everybody realizes this, and we are not providing our young people with an opportunity to set for themselves an ideal, to get really excited over the cause of their country, the cause of poverty, the cause, in fact, of everything that makes up our problems.

But before that can be done, it is absolutely necessary first to free what has become clogged. We understand that this may annoy the government, as we constantly come forward with the same solutions, and as we insist so much that we always seem to be told that miracles do not happen. But they are even more unlikely when the minister who answered a few moments ago simply says: "We are going to find solutions", while we say: "We have solutions". I think that after all we are more positive, more conscious, since it means that a solution will be found and one even dares to say: there is a certain improvement, but we must wait, we must not hurry! Mr. Speaker, since we have young people who are in such a hurry I am sure that we cannot ask them to be patient and therefore we must urgently find real solutions to the problems we are facing. The failure to do so would spell trouble eventually, or would mean idleness at the very least, and we know that when young people are idle, especially after spending years in school trying to acquire the necessary skills in order to be more effective, they become somewhat discouraged and will not tolerate the situation very long.

As I say, this is why we should together really seek solutions at the outset. Let us at least recognize the advantage of considering them and let us not reject them off-hand since we have evidence that whatever is done within our present system leads to nothing. Let us at least be decent about it and say that we will examine whether there is something in our proposal which could be implemented fortwith. When you see that, by increasing the purchasing power, all the problems are solved in part, then you can pass judgment. If it turns out to be a failure, we will be the first to say that the solution does not lie there.

Mr. Speaker, before passing judgment, let us at least have the decency of studying certain things seriously and trying them out to see what the results are.

Not so long ago, inflation was checked in some parts of the U.S.A. by increasing the purchasing power. This proved so effective that at one point the president of the United States even considered extending the practice throughout the States. But, unfortunately, some elements still seem to be stronger than the government; and they impose their financial laws; finally, the matter was dropped.

Let us therefore take the lead and provide our young people with the opportunity of pursuing a true ideal by

giving them the necessary tools to develop Canada, so that we may take advantage of the vast resources of such a wealthy country and help the entire world to enjoy a better standard of living. Indeed, if we succeed in controlling poverty, we would thus have rendered a very great service to the entire world.

• (5:10 p.m.)

[*English*]

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I had hoped that the Minister of Manpower and Immigration (Mr. Lang) would remain in the House for the entirety of this debate to hear the constructive statements of members of the opposition who, in the opinions of most Canadians, are still an integral part of the democratic process in this country.

The statement the minister has just made will come as a grave disappointment to tens of thousands of young people across this nation. We did not come to this chamber expecting the hon. gentleman to acknowledge that government economic policy was wrong, or that we were facing chronic unemployment among our young people. That would not be the place of a government spokesman. Neither would it be the place of the opposition to laud the government for achievement on all fronts. But at least we did expect the minister to present us with a positive statement and outline a policy which, while recognizing the difficulties confronting the government, was designed to get the economy out of its slump to the advantage of all the unemployed and, in particular, of the young people of this nation.

The minister spoke as a person who, to use a phrase suggested by one of my hon. friends, must have fallen in love with himself at a very early age. This, at least, was his attitude—the impression which hon. members gained. I was bitterly disappointed. I should like to see members of this House copy the minister's statement and have tens of thousands of copies printed and distributed so that the young people could be aware of the contemptuous attitude taken toward their problem, and the arrogance with which they were treated. I do not know where this arrogance came from, but I imagine a number of hon. members can guess. But this was the response to a serious discussion by the opposition of the critical unemployment issue. I shall get around to dealing in more detail with the minister's statement later. His pious pomposities will not go unchallenged by members of the opposition or, I hope, by some supporters of his own party. I did not expect him to remain in the House to listen to remarks from this side of the chamber, because I guess he does not want to hear the truth told in any unsophisticated way.

We have heard the motion proposed by an hon. member of the Creditiste party, the amendment put forward by the NDP, and the amendment offered by the hon. member for Vegreville (Mr. Mazankowski). My hon. friend from Vegreville quoted a statistic which is indeed alarming, namely, that in November, 1970, the number of unemployed people under the age of 25 has increased by 43 per cent. A large proportion of these will be young family people, most of them, I imagine, between the ages of 20 and 25, who are raising families, eager to get homes and, in many cases, faced with financial liabilities as they seek to pay off debts and acquire at least a minimum of personal belongings. Some of them have perhaps not reached the stage of bearing matrimonial responsibilities; they are seeking to further their education or to make their way in the labour market. Some of them are well educated in the professional sense; others have only the basic requirements of an education. These are the Canadians we are talking about when we say there has been a 43 per cent increase among those unemployed in the age bracket below 25 during the month of November as compared with November, 1969. We are not talking about an adjusted rate; we are not thinking in terms of a sophisticated statistic concocted by the Bureau of Statistics for use by statisticians. I do not think these people are much concerned about whether they are part of an adjusted unemployment rate or not. The fact is, they are unemployed.

I do not believe we can overstate the seriousness of this problem. To hon. members who have taken part in the debate this afternoon, I want to say that we might not agree with the latter part of the motion put forward on behalf of the Creditistes. Our own contribution has been the amendment proposed by my hon. friend from Vegreville—a substantial amendment which satisfies the party to which I belong. It is consistent with the position we have always taken, I am told. In this respect I believe the Minister of Manpower and Immigration must have a short memory, because apparently he does not recall the situation which arose in 1962, I believe, when the party to which he belongs, out of expediency, decided to support the policy advanced by the Creditistes in their motion. I feel sure he would wish to correct the record when he realizes that his party did move in that direction.

The implications of the present unemployment situation were clearly set out by my hon. friend. The first implication is that far too many young families today find themselves without money, and, for the most part, not provided for adequately by welfare and social assistance programs. Even when they are eligible, this short-term assistance is inadequate. The second consequence is that the total educational position of manpower in Canada this winter will take a beating. We cannot continue to expand our total human resource potential—I think that is the phrase educators use today; I do not know what the minister would call it—during a period when so many of our young people are unemployed; when they are, without choice and without alternatives, a drag on the economy. The total impact of this on Canadian society will be felt in years to come. Not only are these young people unable to support themselves, but in many cases they are a drag on their families. The adult parents of these young people have to dig down into their pockets to assist them to keep going during the winter. Again, in many of the families with which I am familiar, the patriarch of the family, the father, is unemployed as well. I have in mind those who, through no fault of their own, failed to acquire a satisfactory education. Fathers are caught up in exactly the same circum-

stances as their sons. They are forced to seek labouring work, and when the economy slows down the first jobs to be chopped are those in the labour field.

• (5:20 p.m.)

Another implication is that young people are not able to afford their own homes. They are being forced to live in rented basements, rented apartments in slum areas, areas that would normally be condemned if we had a healthy housing policy. The consequence is that few of our young people will ever be able to own a home and raise a family with some decency.

Another aspect that is more critical than dollars or education is the attitude of our young Canadians. How can they have confidence in a government, in a church, in a school system, in our economic policies, our whole way of life, our social institutions, our political setup when they have no opportunities? They have come up through school year after year having been told about the benefits of education. They have been told that education pays; that it is everyone's business to learn to live with change, to acquire an education, with dollar signs after the word "education". Then they leave school and go into a society where there is not a tinker's chance of their securing a job; as someone said, they have as much chance as a snowball in hell. There is nowhere they can look for a job. Welfare payments for them are either inadequate or inaccessible to them. What a tremendous amount of disillusionment must be felt by those young Canadians who are now facing one of the bleakest winters in the history of this nation.

Imagine the impact of this situation on the attitude of our young people. One case was brought to my personal attention involving an individual who, according to his own parents' admission, was actually forced to rob, to commit a crime, for which he received a serious sentence, mainly because he had not had a job for many months. This 18-year old was expected to occupy some kind of position with his peers, with his 18-year old friends, in a society that expects him at least to have the opportunity to have a dollar in his pocket, perhaps attend a movie and to have some status in the group. Hon. members are aware of the importance to an individual to be a member of the group, be he at any age in the teens.

For example, with the attitude of our young people toward free enterprise and toward personal initiative, how can we expect them to face society after a number of years' disillusionment with society, a society that has given them no opportunity to take a positive, buoyant outlook toward a young Canadian nation that has almost boundless resources? How can we expect them to have the same kind of outlook our forefathers must have had when they came to Canada to develop this great country?

To a certain extent, I am frightened by this business of attitude. The sort of social unrest existing across Canada today is in no small measure attributable to the economic dilemma being faced by young Canadians. As the hon. member for Vegreville (Mr. Mazankowski) said, we are not talking about draft dodgers or computer smashers or bomb throwers or people who are members of radical wings and extremist groups. We are talking about the masses of young Canadians in all provinces who are facing a bleak outlook, 43 per cent more of whom were unemployed in November 1970 than in November 1969.

What did this arrogant minister who has been exported from a western province have to say about this? I understand from some remarks made by Premier Thatcher, quoted in the *Globe and Mail* of last week, that he will not be exported after the next election, which would be a great advantage to young Canadians because they do not want this type of representation in the House. I do not know what our young Canadians would say today if they were present in the House to hear this bold, arrogant minister who sat in his place taking a very smug, snittish attitude. Political blimpery, pious pomposity—I cannot think of sufficient phrases to describe the blown-up, snobbish, complacent attitude which he exemplifies. A lot of young red bloods who I know would possibly give him a good kick where it hurts the most. Excuse my bluntness, Mr. Speaker.

What concerns me most, Mr. Speaker, is not only the minister's attitude but the fact that his attitude reflects the total attitude of the government. They have everything in their mitts. They are controlling the economy. The Leader of the Opposition (Mr. Stanfield) has referred to the government's mechanistic approach to the economy. They put the screws to it, tighten up all the bolts, and fight inflation by creating a severe unemployment situation. They will then move in with the big guns, unleash their economic power, solve the problem and become the political heroes of the nation. Perhaps that is the government's plan. Perhaps human misery, suffering and disillusionment have no relationship to the government's plan, no meaning in the scheme of things. Perhaps this is what is happening, I do not know. I am watching the Minister of Transport (Mr. Jamieson), the Minister of Manpower and Immigration (Mr. Lang) and the Prime Minister (Mr. Trudeau), but I have never seen such smugness, a total attitude that displays such arrogance. They have no respect for the opposition. They do not think members of the opposition have any mentality; they feel they have a superior intellect, that they have all the answers. We cannot even get these people to face the fact that we have a critical unemployment problem, especially among our young people.

To be honest with you, Mr. Speaker, I do not think that at the moment we can solve the unemployment problem. I do not think we could bring in a program today that would solve the unemployment problem facing this nation, particularly as far as our young and elderly people are concerned. However, I would have thought that the government would realize over the past two years why we have been pointing out the danger of a policy that creates unemployment. The words the Prime Minister himself used were "creation of unemployment". We pointed to the pitfalls and thought that at least the government would hold in reserve some emergency programs that would enable a problem brought on by their own policies to be tackled. But we were wrong.

The other day I moved a motion in this House which basically was along the lines of the amendment moved by

the hon. member for Vegreville. I was trying to demonstrate the need for an immediate debate on this urgent problem. After the House rose, I was interviewed by a newsman and asked what could be done about the problem. I replied that very little could be done in the immediate future to solve the situation, but I did make one suggestion, and that was concerning manpower policies.

The Minister of Manpower and Immigration left the House, went before a microphone and deliberately and calculatedly misrepresented every single word I said. He picked phrases out of the air, twisted words, added on "isms", modified all kinds of adjectives and sent out across the nation a terrible response to what was a fairly responsible statement. He has done the same thing today, and I am very disappointed in his attitude.

Many suggestions have been made with regard to measures that might be taken to help remedy the situation. We hoped that the minister would be in the House to act as a catcher to field these suggestions. I should like to place them on record in the vain hope that one of these days one of the members below the ministerial level will pick them up and react accordingly.

For example, as the Leader of the Opposition said, no solution would be as beneficial as a total revamping of our economic policies in order to buoy up the economy and have appreciable effect on the unemployment situation. This, of course, is a long-term proposition. One member in the House mentioned a few days ago relaxing government requirements regarding student loans that are outstanding and which are being assumed by a lot of our young people.

Another suggestion was made with regard to extending our manpower programs. Many young people are involved in manpower programs. As everybody knows, there is only a 52-week upgrading program. This means that after that period these people are forced out on the street. This situation adds to the 43 per cent increase which was referred to. Another suggestion was that we should relax the regulations in respect of manpower training which require that a person must have been in the labour force for one year. I believe there is a clearcut case here for relaxing the regulations. I do not know whether the suggestion made is a good one, but it seems plausible to me and I should like a responsible minister to explore it.

• (5:30 p.m.)

Another suggestion was made by my colleague the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) concerning militia training. What a time in Canadian history this would be to have many of our young people brought into a militia training program to bolster their moral fibre! I do not advocate military conscription but, rather, a militia training program which would help strengthen the disciplinary fibre of the young people.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but his time has expired.

[Mr. Lundrigan.]

Mr. Lundrigan: Mr. Speaker—

The Acting Speaker (Mr. Laniel): If the hon. member seeks unanimous consent of the House to complete his remarks, I would ask whether hon. members agree to allow the hon. member to complete his point.

Some hon. Members: Agreed.

Mr. Lundrigan: I appreciate the courtesy, Mr. Speaker. I just want to say that this is a prime time for us to investigate the possibility of mobilizing our teaching professionals in the Canadian nation. We should have a program in which total use is made of our educational facilities, not only manpower facilities, in an effort to work sensibly toward the upgrading of young Canadians, perhaps just academically. The alternative is welfare, total unemployment and deprivation. Neither alternative is a good one, welfare and deprivation on the one hand or just a crash program in manpower upgrading on the other. Although neither is a good alternative, I think the latter is preferable.

I think there is a good opportunity to bring many young people into upgrading programs. There is not much advantage in having young Canadians in educational programs if they have nothing to do afterward, but I do not think we should give up in this respect. I believe that in the long run we will reap great benefits. There is not an economist in North America who would deny that we would reap great benefits from having manpower programs for young people even if today the graduates become disillusioned because of the difficulty in obtaining employment.

The other day the minister indicated that our manpower institutions are already overcrowded. He asked what we would have him do. He asked whether we wished him to turn out all those people over age 25 and bring in people under 25. That is ridiculous: no one ever suggested that. The suggestion was based on the fact that the minister had average intelligence and could see the possibility of utilizing other facilities such as churches, auditoriums and classrooms in day schools so that these people could be provided with a shot in the arm in this respect. Perhaps the minister would like to see these people on the dole for the winter. I am sorry he is not here because I wanted to make some personal observations. The minister might think he is the greatest fellow ever, but many Canadians do not think so.

Mr. Steven Otto (York East): Mr. Speaker, I too am disappointed that the Minister of Manpower and Immigration (Mr. Lang) is not here. However, I am not too disappointed because the great eminence of the Liberal government is sitting right behind the curtain and I hope that somehow my ideas will filter over to him.

The motion states that the government has inspired false hopes among young people between the ages of 16 and 24 by assuring them that education pays. Of course education pays. If one had listened to the young people three or four years ago one would realize that the last

thing they wanted was payment in material terms. They wanted payment in aesthetic terms. They have that now. But I think what every young person really wants is the ability and the opportunity to express himself in his career. The suggestion in the motion and the presumption made today is that this is an immediate problem, it just happened because of the government's restrictive programs and it will go away as soon as things get better. This is a fallacious presumption; it will not happen.

If hon. members would review history they would find that as any community has become more sophisticated, the first group to experience problems has been the group between 16 and 25 years of age. Why is that? It is because with sophistication in any type of culture or economic enterprise there is a vested interest in those who have power. Let me put it in very clear and unmistakable terms. We are now at the stage of economic enterprise when a young person does not automatically learn to take a car apart and put it together again. He may have a great interest in cars and he may be very adept at mechanics, but that is as far as he will get because he will have to be an apprentice, a journeyman, and eventually he will have to join a tight little union or organization established to protect those with vested rights. So he will in time obtain part-time work, and if he is very persistent he will obtain more work. Then after seven or eight years, at age 26, 27 or 28 he will become a fully-fledged member of that tight little organization. Every society has its tight little cliques.

A few years ago it was not difficult to become a lawyer. All that was necessary was for one to become a clerk in a law office and after a period of time he would be called to the bar. Today one must be A-plus in every course established by a law society even before he can receive any training. One cannot be a doctor by apprenticing to a barber's shop, and so on. All these structures we have built up in our society are limited to those with vested rights, and it takes a long time to get these vested rights. Automation comes in and eliminates opportunities for young people to immediately take a position. This is where the frustration begins. What are they to do? Of course there is training and further training. This is one way in which we have postponed dealing completely with this problem. Further training puts young people in a position of not killing time but of making use of time until the economy finds room for them. The presumption is that if we get out of the immediate, urgent problem vistas will open up for all the young people. It will not happen because each industrial innovation, each trade and each industry becomes more and more sophisticated, with an increasingly smaller requirement for labour.

• (5:40 p.m.)

Therefore, we will have a tough time keeping people employed, even those with vested interests. When I say vested interests, I do not use it as a capitalistic term but with regard to a position, a job or a calling. People are having the same problem because there is pressure upon them to retire much earlier although they are capable of working longer. There is pressure applied at both ends of their working lives. Between the ages of 16 and 25 the situation becomes more and more difficult. What, then, shall we do? Historically, the answer has always been to fill the vacuum or void with the most urgent problem. In other words, over a period of many centuries and even milleniums the main problem has been in respect of military defence, and into this these groups were fitted. First it was an agrarian economy which then became a commercial economy and eventually an industrial economy, all of which faced this problem; and the military was always the answer.

This is what we heard from the hon. member who preceded me. Historically, defence has been the most pressing problem. In other words, the most pressing problem has been the expenditure of money to maintain this group. The question then is whether this will be justified today. There might be a saving grace in this connection. A report recently issued by the department of economics of the United States indicates that over 63 per cent of Americans are employed in non-productive work, that is to say, in service-connected industry. By that they mean managerial, promotional or sales jobs as well as architectural and engineering work. From the balance, which is 37 per cent, you take away the unemployed, which is 7 per cent, and if you consider the agricultural element you have a still lower percentage of people engaged in manufacturing and industrial work. The reason they have reached this very satisfactory situation is that they have looked upon other countries as hewers of wood and drawers of water.

We Canadians are filling this void for the Americans. In other words, we no longer merely dig for raw materials; we go a step further and we do the processing: we even do the manufacturing. But we leave it to the more sophisticated sections of the U.S. economy to do the managerial work. At the moment we are all happy because with the automotive pact we are kept busy. However, that will not employ all our young people, nor will it solve the problem. I suggest to the grey eminence, to the government, that if we are to solve the problem we must take a long-range point of view and the historical example, but instead switch to the most pressing need today. Defence does not enter the picture so far as Canada is concerned. Under no circumstances can we say we will build a military establishment to defend this country realistically. We are by agreement or by force of circumstance already committed to a joint defence program under the umbrella of the U.S. This is a fact, and wishful thinking or nationalism will not change it.

However, we could change the military structure to suit the most current and pressing problem that faces us, namely, pollution. This is a problem which now replaces what was once the problem of military defence. If one were to ask the average Canadian citizen what is the most pressing problem before us, whether it is defence of the nation or pollution, I am sure you would find that most people would say it is pollution. Why not, then, change our whole military structure and adapt it to solve this problem? We now have many vacant military establishments and a decreasing cadre of military people. We are stressing the importance of a change in emphasis. We gave the Emergency Measures Organization a trial run,

but in order to do an effective job we should incorporate into our military establishment such concepts as pollution control, CUSO, the CYC, and even forestry—programs which are now given second place.

I do not mean that we should continue these programs under strict military control but, rather, that we should do so by changing the Department of Defence, by reconstruction, absorption and by varying the duties of many of these organizations which now use up the energy and the interest of the young people. Thus, we could do this job eventually, whether it be in five, six or ten years. A great amount of money and energy will have to be spent if we are to get the most committed people. The hon. member for Saint-Denis (Mr. Prud'homme) says I am stealing his speech. I hope I am not. I hope he will be able to follow me with many ideas which I know he has.

Let me get back to this vast problem, because I know there will be a problem. You cannot just go to a general and say, "You will change the traditional military role of the army and take over the work of the CYC, CUSO, control of pollution," and so on. To that, Colonel Blimp would say, "My goodness; you cannot do that, we are soldiers". However, we now have a brand new, young Minister of National Defence (Mr. Macdonald) who is not exactly enchanted with the whole idea of the thin red line, of cannons all over the place and of the charge of the Light Brigade.

I think the Prime Minister has indicated that his concept of defence is not as narrow as that of former prime ministers. Be that as it may, we have within the military establishment a cadre of disciplined people who will be needed to perform those tasks. If we introduce there the concept of pollution control, it does not mean we must wait a year before doing so, because if that concept is accepted everyone will realize that the quicker this is done, the better. In the meantime there is no reason why these people should not be gathered together and trained. This work cannot be done without trained people. We have ten vacant army camps in perfect condition. They can be filled, and money can be obtained. The whole structure of the present military establishment can be given this dual or triple role.

Such work will need much manual labour. No machines are made now to perform this type of work. Problems arise daily and work should be started almost immediately. If the government were to advance this idea, much of the uneasiness which exists in the economic community would be relieved. That in itself would be a great incentive to hire more people and it would be a solution to what is now considered an insoluble problem. CUSO, which is part of our external aid, should be incorporated in such a program. At the moment this organization is completely independent, but there is no reason why it should not be included. The same is true of the CYC. You do not have to say to all young people that they must undertake pollution control work, because they may not all be interested in that kind of work. But they may be interested in external aid, teaching, welfare work or other advanced programs, all of which can be offered within this program. There is no reason in the world why it cannot work. Having said that, the question is, do I think the government will take up the challenge? I am not sure that it will.

• (5:50 p.m.)

Some six years ago, on September 24, 1964, I made a speech in this House. We were discussing the estimates of the Department of Fisheries. I am not diverging from the subject matter of the debate, Mr. Speaker; I am just indicating why I have my doubts that the government will take this reform step. On that occasion I said:

> I have seen factory ships the like of which most members would never believe. These foreign vessels have on board office equipment that would compare favourably with that in an insurance company office. They have freezing plants, drying plants and canning plants. I even saw one ship that contained a factory to make the cans right on board. These factory ships sweep our seas like giant vacuum cleaners, taking everything there is. What do we do?

I put that to the then minister who is now a member of the other place. As I say, that was six years ago. His first reaction was that he had never heard of a factory ship, and then he was quite convinced they would never endanger Canadian fisheries. Now, in 1970, we are faced with the problem of factory ships and it is supposed to be a brand new problem. We had six years in which to do something. Mind you, now it is a different government.

An hon. Member: But the same old gang.

Mr. Otto: It is not the same old gang. From the speeches I heard today the consensus seems to be that we have an immediate problem, that we want an immediate solution and that somehow this problem of young people will disappear immediately. Mr. Speaker, it will not. Therefore I would urge the minister and the government to consider such an approach but not on the basis that the solution will be achieved overnight. I would ask the government to forget the concept that the problem of young people will disappear with economic activity. This is a growing problem. Next year it will be worse, and the year after that still worse again. If we are to put the military idea to work, I warn that you cannot expect the young people to parade on the parade square; there is no purpose to it. It will absorb some energy but it will not provide an acceptable, workable scheme.

It is up to the government to decide whether it will go from day to day, emergency to emergency, or will plan for the future realizing this is a problem that will grow. The problem is not the result of our nor the opposition's doing. It is the result of the sophistication of a civilized community.

I regret that the minister has not been here, Mr. Speaker, and I regret that the grey eminence to whom I have referred has not been listening. However, I hope they will read this speech in *Hansard*. I hope the Prime Minister (Mr. Trudeau) will finally come to the conclusion that he was elected to institute reforms in giant steps. Canadians will not tolerate very slow, gradual, tortoise-like moves. This government has the absolute support of all Canadians to make these changes, right or wrong. If we are wrong, we will be forgiven; if we are

right, we will be right. But if we do not make these moves we will have neither the support, the acclaim of the people nor the prestige that a government should have.

Some hon. Members: Six o'clock.

Mr. Yewchuk: Mr. Speaker, some of my colleagues are asking that I call it six o'clock. If you are agreeable, I shall begin my speech after the dinner-hour adjournment.

The Acting Speaker (Mr. Laniel): Is the House agreed that we call it six o'clock?

Some hon. Members: Agreed.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

ROUTINE PROCEEDINGS

HEALTH, WELFARE AND SOCIAL AFFAIRS

First report of Standing Committee on Health, Welfare and Social Affairs—Mr. LeBlanc (Rimouski).

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—NON-CONFIDENCE MOTION—FALSE HOPES CREATED BY GOVERNMENT—INABILITY TO USE TALENTS OF YOUTHS AGED 16 TO 24

The House resumed consideration of the motion of Mr. Fortin:

That this House condemns the government for having inspired false hopes among young people between the ages of 16 to 24 by assuring them that education pays, at a time when young people coming out of schools and universities find no outlet for their energies and no means of placing the knowledge they have acquired at the service of the people, because the government has been unable to introduce such financial devices as the compensated discount and the national dividend so as to enable the masses to benefit from the communal resource constituted by young people who are educated and better equipped than any previous generation to produce more efficiently, more abundantly and more economically, so as to assure the greater welfare of all Canadians.

And the amendment thereto of Mr. Mazankowski, and the amendment to the amendment of Mr. Nystrom.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, in rising to participate in this debate I do not feel as encouraged as I thought I would a little earlier today. This is because of the ideas and attitude expressed by the Minister of Manpower and Immigration (Mr. Lang) in his speech. We in the opposition feel it is our duty to offer proposals to the government as alternatives, but we expect the government also to put forward positive suggestions. I am sorry to say that the minister did not. His remarks were devoted to an attempt to smear the opposition and to impute motives to us. One of his own party, the hon. member for York East (Mr. Otto), made a few positive suggestions but admitted that he did not think the government would pay any attention to them. That is the way we feel on this side of the House.

On speaking to the motion which we are debating, I have to admit that I agree with parts of it but there is one part with which I do not agree. For instance, the motion suggests that the government has inspired false hopes amongst young people. I am of the opinion that the government has never inspired anybody by their policies.

Mr. Ricard: Not even themselves.

Mr. Yewchuk: When one observes the effects of this government's policies it is easy to conclude that their policies are certainly uninspiring and uninspired. I think for the first time in Canada's history we are faced with a situation where even university graduates, including Ph.D.s, are unable to find employment when at the same time we are handing out many Ph.D. jobs to foreigners. This is a most shameful and unacceptable situation. It indicates the government is devoid of new ideas and is unable to cope with the problem of administering this country. The only thing that is keeping this government afloat at the present time is the ability of the Prime Minister (Mr. Trudeau) to perform on television and the flashy image that he has on that medium. I do not think anybody here could say that this government's policies are keeping it in power. That is a great shame, because while the Prime Minister performs on television Canadians from coast to coast are in despair. While he wears all kinds of funny clothes—

Mr. Bell: And funny hats.

Mr. Yewchuk: —some Canadians cannot afford to buy clothes at all. When one analyses what has happened in this country in the past couple of years it becomes obvious that the economy is becoming more and more stagnant. Without question, the economy is even more below its potential now than it has been for two or three decades. The gross national product is not rising sufficiently to bring about a satisfactory output. Unemployment is reaching drastic proportions. But the government sits back in smugness and does virtually nothing, as was indicated in the recent budget presented by the Minister of Finance (Mr. Benson).

In the past five years or so, the youth of Canada have expressed ever-growing disenchantment with the establishment. Many of the adult population of this country sit back and wonder why. They wonder why in a country as affluent as ours, with what is considered to be one of the most democratic types of government in the world, the youth are turning against the system in large numbers and are becoming disenchanted with society.

When we look at the unemployment figures amongst the youth, the reason becomes very obvious. In the group aged 14 to 19 years unemployment is higher than in any other group. This is more evident in Quebec and the Maritimes. When we look at the unemployment rate for the next group, those aged 20 to 24, we find the second highest ratio of unemployment compared with the rest of the labour force. I suggest that the reason may be that our educational system and general economic planning have not been adequate to cope with changing conditions. In the past, tremendous stress has been placed on students going through university. This has been done to such an extent that anybody who has not gone to university has been virtually written off as a drop-out and regarded as a non-productive individual. That is very wrong, Mr. Speaker.

• (8:10 p.m.)

Great progress in the area of vocational training was initiated by the former Conservative government a decade ago. These institutions are now overcrowded and graduates from them are finding difficulty obtaining employment. In addition, a large segment of our youth still has not attended any institution of higher learning. Yet these young people also need to earn a living. Secondly, many adults have not had the advantage of university of vocational training and they are being discriminated against as a result of the increase in unemployment.

I should like to make a few comments about this situation and refer particularly to northern parts of the country. I think it is fair to say that in the north, particularly among the population of native ancestry, unemployment is higher than among any other group in Canada, including groups in Quebec or the Maritimes. There has been a complete and dismal failure on the part of the government to take any effective action in this particular area. From personal knowledge gained through living among and near native peoples, Indians and Metis, unemployment among them is probably higher than 50 per cent. As a matter of fact, at times it comes close to 90 per cent and even 100 per cent in some communities. These figures are not reflected in the statistics of the Department of Manpower; many of these people have reached the point where they do not bother applying to manpower offices because such applications have repeatedly led nowhere. On many occasions they certainly have not led to employment for native peoples.

There is another problem in the area of preparing these people for jobs which are created. A good example is northeastern Alberta, where unemployment among the native peoples is probably higher than 50 per cent. Within the past five years a huge oil refinery was established in the geographic centre of my riding and this created hundreds of jobs. While it was being established, many of the local residents, particularly the natives, literally jumped with joy at the prospect that finally jobs would be available to them.

The plant is now operating but unemployment among the native population remains at the same level. People were brought in from outside to fill the jobs which were created. The basis for this action was that local residents were not trained or equipped to handle most of the jobs that were considered to be technical. Even though there were some vocational training facilities in the area, the preparation of the local population was found to be inadequate. As a result, the local population was virtually bypassed by the job opportunities which had been created. These remarks are not meant in any way to express dissatisfaction with the people who came in and took the jobs. They are all extremely good, useful and productive citizens and we are all very happy to have them.

The development of the north is creating one of the greatest possibilities for employment. However, so long as the government fails to recognize the needs of the local people, and fails to institute a vocational training program for them when employment opportunities are developing, unemployment among them will continue forever. When massive unemployment among any group of the population exists, it is accompanied by all the horrors and tragedies associated with chronic, widespread poverty among adults and chronic despair and pessimism among the youth.

If I may change the subject for a moment, in recent years, as a result of this government's policies, we have witnessed another phenomenon, that of the abandonment of hundreds and hundreds of small farms, particularly throughout the Prairies. This situation has released thousands of people from a vocation to which they have been accustomed, onto a labour market which does not have sufficient jobs even for those who were not in farming and already are part of the labour force. There is no specific plan of action to assist people leaving the farm and attempting to seek another way of life in urban areas. This is probably one of the greatest errors the government is making.

An hon. Member: Hear, hear!

Mr. Yewchuk: It coldly sits back and says, "This farm is not economical; let us wipe it out", forgetting completely the tragedies which will befall the farm family when it is forced off the farm as a result of poor economic policies. When it gets to the city, it will find that conditions are no better. These families will find a shortage of housing as well as a shortage of jobs.

What are the possible solutions to these problems? First, the direction of education must be reassessed. Our attitude toward education must be reassessed. Students must be made to feel that this country needs them whether or not they go to university. The best way we can do this is to make sure they can obtain jobs and are able to make a living. Young people must be made to feel that taking vocational training is also desirable and respectable. Those who do not take either university or vocational training must be made to feel they are useful human beings and that this country has a need for them. It is therefore necessary to aim education in the direction that will not only broaden one's horizons but will make sure that whatever education a person obtains will enable him to earn a living in any area of Canada. This,

in particular, should apply to those who choose not to go to university.

In certain areas of the north where there is industrial development we have witnessed large turnovers in the white population. White people go north, work for a while and then go back south. Most of them do not stay for any period of time. Yet the local people continue to live off welfare or in abject poverty. We must design vocational training programs in conjunction, in co-operation and in consultation with potential industrial development. We must keep the local population in mind and make sure people are ready for jobs when they become available. We must ensure that the local population is not trained for jobs that never will be available in the area. That sort of thing has happened to quite a large extent.

Hon. members have spoken about possibilities that might be considered. For instance, one suggestion was that the youth who are now idle ought to be engaged in militia training where that is practicable. Another member suggested that we should let our young people participate in the fight against pollution. Those were good suggestions. I wish to make an additional suggestion. We must remember that Canada for a long time has been, and still is, primarily an exporter of primary products or raw materials. Because of poor government policies or lack of government policies, we have been robbing our people of thousands of jobs.

We are sending our raw materials to the United States, Japan and other countries. We are creating jobs for the people of those countries. They produce the finished product and sell it back to us at a very handsome profit. We ought to take a serious look at this process. If we had proper government planning and proper policies there would be no reason in the world why manufacturing processes involving industrial complexes should not be carried out in our own country. This would bring benefits from two points of view; first, in creating many jobs and, second, since we would be the ones manufacturing the finished product we would ultimately reap the greatest profit.

The considerations also apply to policies dealing with agriculture. It is fine, theoretically, to say that a small farm does not have the right to exist if it cannot pay its own way. Nevertheless, we must remember the human element involved. I am of the opinion that at least on a short-term basis it would be far better to subsidize some agricultural products in order to keep people on the small farm and allow them to make a living, rather than moving them to cities where they would subsist completely on welfare. On welfare they would be subsidized to the extent of 100 per cent. Secondly, while these people are being temporarily subsidized, long-term planning will have to be carried out from two points of view: first, to find ways and means by which they can improve their ability to make a living off their land without getting so deep into debt that they can never get out; second, in offering vocational training and creating job opportunities in the area before abandonment of the farm is encouraged. Then if they decide to leave the farm, they will do so with the knowledge that they will find a job and will have the vocational ability to ensure that they hold it. It may be that before this can be done, a change of government will be required. Obviously, the logical alternative is my party.

• (8:20 p.m.)

Some hon. Members: Hear, hear!

An hon. Member: The same old gang!

Mr. Yewchuk: As a matter of fact, when this gang was in power, things were pretty good.

Some hon. Members: Hear, hear!

Mr. Yewchuk: I said that the Prime Minister is a good television performer. I like to watch him over television. That is why I suggest he should do this on a full-time basis: I am sure the CBC could use him somewhere. As far as the administration of this country is concerned, I am afraid it is just too much for the Prime Minister and this government. This country needs a government with administrative ability, the ability to develop new ideas, new directives and special policies in keeping with the special needs of areas and individuals. In conclusion, Mr. Speaker, Canadians deserve an opportunity to emancipate themselves from the economic strait-jacket in which the government has placed the country.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, I deem it my duty to take part in this debate on the motion proposed by the Ralliement créditiste to improve the present situation of young people in Canada. The problem facing us is twofold since we must take steps to make up for past carelessness and at the same time provide for the future.

During the last five years I met hundreds of students and their distress as regards their future is disturbing. Their attitude as to the necessary action reflects great confusion.

Nevertheless nobody is assuming the responsibilty of helping our youth to put all their talents at the service of the Canadian people. They are aware that the Canadian economy is more and more unable to absorb the mass of skilled people entering the labour market.

In the case of those young people, short term forecasts are most pessimistic and according to experts, job opportunities for new graduates will be almost non-existent next spring.

A recent edition of the specialized magazine *Supply and Demand* points out that the jobs intended for young university students have increased by only 3.4 per cent since 1969, while the number of graduates showed an increase of 10 per cent during the same period.

Thus the gap is widening and experts forecast no improvement in the near future.

In the arts field, the drop in available employment shows fluctuations ranging from 15 to 30 per cent.

Employment of Graduate Students

As far as the graduates with an M.A. are concerned, their share of the labour market shows a 20 per cent drop this year.

Finally, graduates with a Ph.D. who are entering the labour market have seen their chances decrease by 25 per cent during the last 12 months.

It seems that in spite of the billions of dollars invested in education during the last decades, the improvements we were expecting are not for the near future.

In this day and age, economic dictatorship of a few men protected by the government in power has imposed the prevalance of money over all values and man is nothing but a commodity subject to the law of supply and demand.

As for those who are hungry and those who are without work, society does not even offer them the surplus milk and wheat which it allows to be produced.

Since millions of people, too many Canadians live in poverty in our affluent society, young people are asking questions. They are skeptical of the words, the promises and the renewal programs which never materialize.

They mistrust politicians who do not govern for the people. They say that the government is not that of the people, and I know that they are right.

They do not fancy at all the role of slaves, which has been that of their parents in the present system, and they wonder what we have to offer them.

I believe that it is urgent to give an answer, because thousands of young people will not accept to join the ranks of people on welfare or of the unemployed.

In today's changing conditions, the government should take steps to make students and young unemployed party to the development of Canada. It is necessary to be able to discover the citizen and to give him social tasks the execution of which becomes a contribution to the common welfare.

The imagination and enthusiasm of young people can create and produce wothwhile initiatives. That responsibility which would be given to them would constitute an outstanding preparation for life.

If we wish to stop from growing the feeling of disgust that this generation has in view of the poor results of this administration, it is more than time in my opinion to take the necessary action in order to create the just society so often talked about.

One wonders whether the just society has been proposed simply for fun.

Frankly, we wonder whether the Prime Minister (Mr. Trudeau) knew what he was saying when he promised the establishment of a just society. Did he really know what he was committing himself to or was it merely an election promise?

We are led to think so by the increase in unemployment. This situation is extremely costly because the losses in salaries are considerable.

[Mr. Godin.]

• (8:30 p.m.)

The goods which are not produced or the services which are not rendered make our society all the more poorer. The worker must then pay higher taxes to offset smaller tax returns and quite rapidly additional social allowances are required to compensate for the salary losses.

Keeping able-bodied people idle is demoralizing and downgrading for them. Keeping 500,000 people unemployed in Canada weakens community life, increases consumer prices and, for people still working, adds to the tax burden since it does cost something to provide the unemployed with even bare essentials.

The unemployed must make do with a bare minimum while the working man must tighten his belt because part of his pay is taken away to give a minimum to the unemployed.

Both are penalized since the working man who has just enough for himself is obliged to share his pay with his unemployed fellow citizen who has nothing at all.

But, most ridiculous of all, some people in their sixties, tired and spent, are still working and paying out to help provide for their neighbours 18 to 25 years of age who are in perfect health and awaiting their turn to be hired.

Not only is there nothing to be offered the young but they are in the way.

When those young people have less than Grade 10, their applications are simply thrown into the wastepaper basket. If they do have a diploma, their names are put on the lists of industry, business or those of the civil service, federal as well as provincial, at the Canada Manpower Centres.

Mr. Speaker, we won the war thanks to fellows who had only three or four years of schooling. To fight against the bad Germans, guys who could neither read nor write were even enlisted.

Today, in times of peace, those who wish to live normally have to wait. Even when he is registered as unemployed, he must prove he has experience, and as the youth is just coming out of school, it is pretty hard for him to prove that.

For instance, as the Public Service Commission wanted them to while the time away, they were asked to sit for examinations. I have here a letter which was written this summer to a voter in the Quebec area. A young man had applied for a radio operator job on April 17, 1970. To keep him busy, the Public Service Commission each month asked him to sit for an examination. At the end of the summer, on September 11 to be precise he was written the following letter:

Dear Sir:

This letter refers to your application for employment as a radio operator and to our acknowledgment of July 16, 1970.

In connection with this competition, we intended to invite you to sit for a written examination at the end of the month of August, but the examination had to be cancelled because of the postal strike. In the meantime, the Department of Transport has informed us that all places available for the next course are already filled.

Moreover, considering the number of successful candidates already on our lists, we have to inform you that the need for further examinations to be held is most unlikely.

Mr. Speaker, if war broke out tomorrow morning, everybody would be working. But, in peace time, the young people are being kept on lists of "successful candidates".

Again I quote the letter:

—considering the number of successful candidates already on our lists—

Fantastic, Mr. Speaker!

In business, accumulation of overdue accounts or too large an inventory often leads to bankruptcy. I wonder just how far we can go with our labour inventories, so well drawn up by our staffing officers in the Public Service Commission.

Mr. Speaker, I know of a young man who was an outstanding student and 95 per cent bilingual. Following a discreet inquiry which I dared conduct, I was simply told that this young man was not proficient enough in the English language.

Yet to fight against the bad Germans the government did enlist men who could neither read nor write. However, in peace time, they have to be 101 per cent bilingual.

At the present time, any reason is good enough to get rid of young people no matter in what department they apply for a job.

For those who are not eligible, there is not even a Kardex system; their names are simply removed from the list.

Then, our man is on the loose and ready to accept whatever occupation is offered to him.

If he is laid-off after three months with too small a contribution to be entitled to unemployment benefits, he can still go to the local Welfare office. There, he will be entitled to respect only if he has spent every cent of every pay cheque. If he has saved some money, he will be told: Spend it, man; come back when it is all gone. Then, he works for three months and remains unemployed for six. It is automatic; the guy is always broke and there is no way out.

In December 1964, the Economic Council of Canada stated in its first annual review, at page 38, and I quote:

In the light of careful studies, we have concluded that a 97 per cent rate of employment, or a 3 per cent rate of unemployment, of the labour force would constitute a realistic objective to be aimed at over the balance of the 1960's, and that economic policies should be actively directed towards the achievement of this target. We recognize that this target has important implications for other basic economic objectives—such as the maintenance of reasonable price stability and a viable balance of payments position—

Further, on the same page, we find the following:

—we are satisfied that, given favourable domestic and world economic conditions and appropriate economic policies, it is a practicable objective.

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Mr. Speaker, according to experts, the objective was practicable in 1964. However, the July 1970 monthly bulletin of the Dominion Bureau of Statistics indicated that the number of unemployed stood at 529,000, that is 6.1 p. 100.

Mr. Speaker, the government has also neglected several points. And if, in spite of thorough studies, it has utterly failed, it is because it has neglected the economic aspect. It has lagged once again and has continued to meet the requirements of those who create money and credit, that is the chartered banks to which it has yielded its powers.

The government has also failed, because it does no longer take into account the fact that in several sectors of national production, the machine is displacing man.

At page 13 of the first annual review of the Economic Council of Canada, the following can be read:

—from 1946 through 1963:

—total real output has approximately doubled;

—real output per capita has increased by about 30 per cent;

—real output per person employed has risen by close to 50 per cent;

—real production per man-hour has increased by almost 70 per cent.

From 1946 to 1963 Canadian production doubled but we know that it trebled from 1954 to 1970 since from $25 billion in 1954 it is expected to reach $80 billion in 1970.

Instead of paying 500,000 people for doing nothing, for not producing, why not use new credits to fight unemployment?

Why not design a plan for paying people to work?

In the various regions of Canada would it not be possible to carry out urgent and useful work which could be done immediately by people who are presently unemployed?

Is it impossible to imagine in various regions the unemployed being put to work creating industries commensurate with the areas, with the areas' resources and which would provide employment once the building stage is over?

In a certain city, could we not undertake collective projects that would create, at short range, a predictable industrial development?

In a region where slum tenements are plentiful, are we incapable of developing a cooperative housing projet, to the achievement of which the badly accomodated unemployed would be most eager to work?

In my opinion, if we voted new credits to put the unemployed to work, these serious problems which we are facing would quickly disappear. Thus we would get rid of this most serious social disease which afflicts Canada.

There is another step that I would suggest. Since there are few relations between education and industry, this government might consider and implement the integration of students into industry while they are still taking courses.

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Students could spend part of their time in college, and another part at work. This training could last for a year or two if necessary.

And as this is all about preparing the generation which will replace us, I can very well see a salary for students, whatever their studies and the profession they wish to practise. This would be a salary paid by the government out of new funds.

This salary for students is a remedy which can be applied at once. The present Prime Minister stated that in 1954 in *Cité libre*. If I may quote some extracts from this publication, he said for instance on page 34, and I quote:

> The problem remains to know whether there is no other limit to unemployment than dire poverty.

And there is something else on page 35:

> Fortunately there exists a remedy that can be applied at once—, it is to stimulate purchasing by delivering more money into consumers' hands. Benefits of all kinds must be widely and determinedly distributed by the state—

Hence, Mr. Speaker, the state should pay out all sorts of benefits. The Prime Minister has said so.

In my opinion, student-salary is the best investment the government can make. Now then, since the Prime Minister is holding the reins of power and is backed by a strong government, why does he not put into practice what he was advocating in 1954?

The challenge is tremendous and if there is no possibility of dialogue, many young people will see their talents go to waste. Our collective prosperity will be seriously jeopardized whereas it is of the utmost importance that our young people be associated with the development of our country.

They must discover for themselves the tasks which they can undertake. Self-help, daring, imagination and eagerness in our young people must work for Canada. If the Prime Minister is not a candle-snuffer, then let him prove it by giving our young people an opportunity to put their energy to work for the promotion of our population and the development of our country.

• (8:40 p.m.)

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, to say the least, the speech the Minister of Manpower and Immigration (Mr. Lang) made this afternoon was interesting because he ignored almost completely the main point of the motion brought forward by the Social Credit Party, the amendment moved by the spokesman for the official opposition and the subamendment moved on behalf of our party by the hon. member for Yorkton-Melville (Mr. Nystrom).

The minister chose deliberately to spend most of his time making jest of the economic theories of the Social Credit Party. I do not agree with those theories, but it seems to me the minister might well have taken the opportunity to deal with the important questions which concern the people of this country and which are being written about every day in the newspapers, including Liberal newspapers, of Canada. These questions include the fact that we have more unemployment in Canada than we have had for a dozen or more years, the fact that our young people make up almost half of the unemployed, and the fact that a number of people in the large cities, including Montreal, Toronto, Winnipeg and Vancouver, who have no work and no unemployment insurance protection are forced to try to obtain emergency welfare assistance because they do not qualify, on the basis of residence, for regular welfare.

All these are problems the minister ignored almost completely. He was proud of the fact that in 1970 we have had such a small increase in the cost of living. The minister did not draw from this fact the obvious conclusion that the government's policies of restraint and of not going ahead with necessary programs to a large extent have led to the unemployment we now face.

The minister attempted to chastise my colleague, the hon. member for Yorkton-Melville, because he said the government had deliberately created unemployment. The fact is that on more than one occasion the Prime Minister (Mr. Trudeau) said publicly both inside and outside the House that he was prepared to be tough in dealing with inflation, and that even if Canada had a 6 per cent unemployment rate he would not be daunted in his program of restraint and restrictions in order to try to stop the increasing cost of living. The Prime Minister and the government have succeeded brilliantly! The fact is that Canada has a higher rate of unemployment than any other industrialized country in the western world.

Last year, according to OECD reports, average unemployment in the major countries of the western world was as follows. In Germany it was half of one per cent; in Sweden it was 1.9 per cent; in the United Kingdom it was 2.2 per cent; in Italy it was 3.1 per cent; in Belgium it was 3.3 per cent; and in the United States of America, our neighbour to the south, it was 4.1 per cent. In Canada it was 4.6 per cent. The Prime Minister and the Minister of Manpower and Immigration may be proud of the economic miracle they have created in their moves to slow down and stop inflation, but the unemployment we have, which is the largest of any country in the western world, is a direct result of their policies.

Canada's average unemployment figure of 4.6 per cent for last year is much lower than it will be this year. This year's average will be over 6 per cent. Last month in this country almost 500,000 people were unemployed. A very conservative estimate I have seen—which I am sure is not very different from the estimate prepared for the Minister of Finance (Mr. Benson), the Minister of Manpower and Immigration and the Prime Minister by government economists—indicates that for February and March of 1971 we will have close to 800,000 people unemployed. In fact, I have seen an estimate by a very responsible and respected economic research organization which indicates that the average for the whole of next year will be over 6 per cent.

What is particularly disturbing is that included in the figure of 476,000 unemployed for next year, 212,000 or 45

per cent are young people between the ages of 14 and 24. For the month of November, 1970, the unemployment figure in respect of young people between the ages of 14 and 24 was 10.2 per cent, an increase of 1.2 per cent over the 9 per cent for October.

If one considers Canada by regions, one sees how serious this situation is. Not only the poor, have-not provinces are in trouble, although as one might expect they are in the greatest trouble: it is estimated that this winter in the Atlantic provinces 14 per cent of the entire work force will be unemployed. I do not need to tell this to members of the House, because we have among us members from the Atlantic provinces and from Newfoundland who I am sure can tell hon. members better than I can that in some regions the unemployment figure will be 20 per cent or more. It is estimated that in Quebec 13 per cent of the labour force will be unemployed at some points during this winter. I do not know of a better way to recruit the people of Quebec into separatism than confronting them with an unemployment figure of 13 per cent. This is the result of the policies of a government with a Prime Minister who was elected to create a united Canada.

In prosperous Ontario the unemployment rate will be 7 per cent. In the Prairie provinces it will be 8 per cent. Eight per cent in fact is not an honest figure because excluded from it are farmers who are in serious economic difficulty and would like to work during the winter months. Also excluded from that 8 per cent figure are Indians and Métis who have been unable to obtain work in earlier years. With those exclusions, 8 per cent of the Prairies work force will be unemployed.

In prosperous British Columbia 12 per cent of the people will be unemployed. Is it any wonder the people of this country, and in particular the younger people, are having difficulty and are discontent? Questions have been asked of the Prime Minister concerning whether the government is prepared to adopt emergency programs so that over the next few difficult months the young people who are unemployed, who are not going to school, who are not in manpower training programs and who are not entitled to unemployment insurance benefits may be helped. I listened with dismay, and that is putting it mildly, to the flippant answers received from the Prime Minister and the non-answers received from the Minister of Manpower and Immigration.

• (8:50 p.m.)

I suggest to members of the House that they read any one of the newspapers published in the city of Toronto. The Toronto *Star*, which is Liberal, the Toronto *Telegram*, which is Conservative, and the *Globe and Mail*, which sometimes supports one party and at other times the other, have all in the last couple of weeks printed lengthy articles about the difficulties encountered by young people who have drifted into Toronto, as they have drifted into other cities, from small towns and communities outside Toronto, who have no work and who are besieging in the hundreds and thousands the manpower offices, the welfare departments and the private charitable organizations which are trying to help them. The stories are of a kind which I have not heard since the depression of the 1930s.

It is a disgrace that in this day and age young people meet the attitude of indifference which is portrayed so vividly in the articles to which I have referred in all three of the newspapers published in Toronto. I am sure that similar articles have appeared in newspapers throughout the country, because the situation is not peculiar to Toronto. It is worse in Montreal and certainly worse in cities in the Atlantic provinces.

What do the resolution and amendments proposed today call on the government to do? First of all, to adopt policies which would achieve full employment in this country. I do not think I have the time, and this is not the occasion, to list the things which can be done, the necessary social projects which are required and which could put to work every person in Canada who wants a job. We need homes, we need schools, we need hospitals, we need recreation centres, we need manpower training centres, and so on.

The government has turned its back on such proposals because of its false idea of holding the line on inflationary pressures, something with which they have not been successful and which, as I have said, has created increasing unemployment.

The second aspect of the requests which are being made to the government is that the manpower training programs which have been created and have done a great deal to upgrade the skills, the education and the working habits of the people of Canada, be geared to meet the new dimensions of the problems. What did the minister say today, and what was said all last week or so when he was asked about these points? He said, "Well, if we find places for the young people we will have to exclude some of the older people". He also said, "We have used up all the money which has been appropriated", and, "We are doing more than we have done in other years". It may be that we are doing more than we have done in other years, but compared with the needs of the winter of 1970-1971 what we are doing is completely inadequate. I say to the minister and to the government that the government should not refuse to act simply because it does not have the money to expand manpower training programs. I do not think any member of this House, of any party, would object to or vote against a proposal by the government to increase the appropriations for manpower training programs and for living allowances for those who are taking manpower training courses.

We have also been urging the government and this minister—not just in the last two weeks but in fact, ever since the manpower training program was begun—to take out of the legislation and the regulations some of the provisions which have prevented deserving, needy people of all ages who want to participate in a manpower training program to upgrade their skills so they can get the better jobs which will be available.

Some of the regulations and policies adopted by the government have prevented people from taking part in

manpower training programs. Let me list some of them very briefly. There is the regulation which provides that a person must be out of school for a year before he can qualify for a course. There is the regulation that a person must be in the work force for three years before he can qualify for a living allowance, even if he is accepted in a manpower training course. What do these regulations do? They say to the young person: You simply cannot take the training even though you want to, even though there may be a need for the kind of skill which you wish to acquire, because you do not qualify.

We have said from the beginning that these rules are not only unjust but they are stupid. What is the point of saying to a young man of 18 or 19 who has finished high school and wants to take a course in a particular trade or profession for which there is a course available at one of our manpower training centres, a young man who in all likelihood is single and living at home, "You cannot take a course now because you have not qualified yet"? In all likelihood that young man has left high school and obtained an unskilled job. When he is 23, 24, 25 and sees that he cannot get a good, permanent and well paid job because he does not have the necessary skill, we say to him, "We will let you take a course and we will pay you a living allowance while you are taking the course". By that time the young man is probably married and living in his own home and it is costly to give him the manpower training course.

I am not objecting to encouraging married men with families to take the course, but I think it is obvious that we should not discourage a person from taking the course when he is young and single, when his living allowance would be much less. The government has been adamant in its refusal to consider this change although it has been recommended by people who work in the manpower training centres and have close contact with those who are taking courses and those who want to take courses. This suggestion has been made by such organizations as Frontier College, which has a brilliant record over many years of helping young people who do not have much formal education to upgrade their educational standard. Representatives of Frontier College appeared before the Senate Committee on Poverty and made such a proposal. The minister and the government know this is the kind of thing Frontier College has been proposing, yet time and again we get an absolute refusal from the minister to make this simple change.

• (9:00 p.m.)

The regulations provide that a person can receive a living allowance while taking a course of not more than 52 weeks, yet many courses offered in manpower training centres extend over two or three years. I wish to give one illustration with respect to one of my constituents who wanted to take a course in hotel management. People who travel across Canada, as do Members of Parliament on occasion, know how necessary it is that the training of people working in service industries such as hotels should be upgraded. So the manpower training centres offer a course in hotel management. We say to people, "You should take this course; it is a good course." Then we say to them, "But we are not going to give you the necessary allowance so you can spend two years on the course."

Surely it is time we stopped the policy under which the left hand does not care what the right hand is doing. Surely it is time we adopted a policy based on simple, ordinary common sense so that we can help people in this country, a large percentage of whom do not have the formal education required in the seventies to do the kind of jobs which, hopefully, will be open for them. Frontier College has estimated that 43 per cent of adult Canadians have less than a complete elementary education. Mr. Speaker, the 43 per cent do not even qualify for most of the manpower training programs offered by the government. We ought to be dealing with that problem, but we are not.

The government has to face up to the fact that in the winter of 1970 we have the largest unemployment probably since the end of World War II, and that a disturbingly high percentage of our unemployed are young people who have been led to believe that this is a country which can give a job to every person who wants to work, an expectation which the winter of 1970-71 is rapidly proving to be false.We have to face up to the fact that our manpower training programs, which have made tremendous strides since the former Conservative government introduced the technical vocational training grants—

Some hon. Members: Hear, hear!

Mr. Orlikow: That was a very good beginning, Mr. Speaker. I do not mind giving credit where credit is due. These programs have been improved, although there are glaring errors and omissions in some of the programs devised by the Liberal government. However, there has been very rapid expansion in these programs. Canada has moved from the time in the 1950s when we had probably the poorest record in the western world, in terms of manpower training, to a time where we are probably in a middle position in that respect. But if one thing is obvious, it is that in this period of major unemployment our manpower training programs, which were devised for a time when we had much more full-time employment than we have today, are simply not doing the job. Therefore, I call on the government to give serious consideration to sharply increasing the programs which are adopted so that—

The Acting Speaker (Mr. Laniel): Order. I regret to interrupt the hon. member, but his time has expired unless the House gives unanimous consent for him to continue. Does the House agree to allow the hon. member for Winnipeg North (Mr. Orlikow) to complete his remarks?

Some hon. Members: Agreed.

Mr. Orlikow: In conclusion, Mr. Speaker, I say that the government needs to recast all its manpower training programs, not in light of the problems of the 1950s and

1960s but in light of the problems of 1970-71, in light of an unemployment rate of 6 per cent for the year and a winter unemployment rate which in Quebec, the Maritime provinces and even in the wealthy province of British Columbia will be substantially more than 12 per cent, a figure which none of us ought to accept.

[*Translation*]

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, the previous speakers have extolled the merits of education for young people. In fact, those who have remained longer in schools or universities should enjoy much greater advantages than others.

This is indeed the tune played by the government and para-governmental agencies such as the Unemployment Insurance Commission, the Canada Manpower Centre and the Economic Council of Canada.

The annual reports of the Economic Council of Canada have first praised the merits of education, as evidenced by the following statement recorded on page 71 of the Second Annual Report of this agency:

> It has been long recognized that education possesses intrinsic value as a factor enhancing the quality and enjoyment of life of individuals, as well as the quality and energy of a whole society.

But the report goes further in recognizing that education also has economic aspects, the nature and dimensions of which are just beginning to make their importance felt.

According to the Economic Council of Canada, the establishment and maintenance of a high rate of economic growth is one of the primary objectives of all industralized countries.

In its first report, the Economic Council of Canada states that, to have a high rate of economic growth, all productive resources, both physical and human, must be used and that the growth of the Canadian economy is dependent upon the quantity and the quality of the resources used, that is, first of all, labour, both quantatively and qualitatively, and, finally, a rational use of available capital.

• (9:10 p.m.)

In its second annual review, the Economic Council of Canada noted the progress made in the 1950-60 decade with regard to the productivity and growth of the Canadian economy. We may read on page 71 the following:

> Among the factors contributing substantially to the rate of growth of real income per capita over this period have been: Labour Input—There has been a substantial improvement in the quality of labour associated with a rising level of formal education.

Further, at page 68 of this review, progress realized in Canada in the field of education is compared with progress made in the United States and it is thought that this will be in favour of Canadians.

Here is how this reads:

> A rising level of educational attainment is, therefore, likely to be a much more important factor in economic growth in Canada over the next two decades than over the past two decades. Moreover, there may well be some narrowing of the gap in educational levels between Canada and the United States during the coming decade.

And further, the review points out that the real average income of Canadians in 1961, compared with 1911, was higher by a quarter from what it would have been had not the level of education increased.

In the review, a statement made by the late President Kennedy is quoted in support of the argument that education affects the income level of the people. The extract from President Kennedy's message to Congress on January 29, 1963, reads as follows:

> This nation is committed to greater investments in economic growth; and recent research has shown that one of the most beneficial of all such investments is education, accounting for some 40 per cent of the nation's growth in productivity . . . It is an investment which yields a substantial return in the higher wages and purchasing power of trained workers, in the new products and techniques which come from skilled minds, and in the constant expansion of this nation's storehouse of useful knowledge.

Those are words that every Canadian politician would have liked to have uttered if present experience did not demonstrate that the increase in the number of skilled workers and the level of education has had practically no effect on the vitality of Canada's economy which readily does without the qualifications and the will to work of new graduates since it does not hire them, and finally that the increase in the number of educated workers is not reflected by an improvement in the general standard of living of Canadians.

In this regard, Dr. Arthur J. Smith, President of the Economic Council of Canada, in the course of a lecture he delivered in Montreal to representatives of the North American Society for Corporate Planning, stated that the rate of growth must not only be continuous and quantitatively high, but also of a quality appropriate to the country's needs. According to Dr. Smith, some four billion dollars are being wasted in Canada, which are not reflected by new products. We are not progressing as we should because a large number of our young people are not now employed in production.

According to the Chairman of the Economic Council of Canada there is a gap between the possibilities and the present growth rate of the economy.

The immediate result is an increase in unemployment. On the other hand there is a reduction in the growth rate of productivity, in the average working hours of employed people, a decrease in the rhythm of creation of jobs with respect to the increasing number of people who enter the labour market. There is a decrease in the production rhythm in various industries with respect to their capacity.

Now, Mr. Speaker, those figures give us food for thought. Those are the hopes which were given to young

people, to young Canadians who made sacrifices to get educated. But reality is quite different.

On December 10, 1970, figures were published by the Dominion Bureau of Statistics on the unemployment situation in Canada during the month of November, on the current number of unemployed workers and in particular on the number of younger workers of the 18-24 age group at present unemployed. According to those figures, the unemployment rate at the end of November had jumped to 5.7 per cent from its 5 per cent position at the end of October. The total number of unemployed in Canada had increased by 57,000 in November. This increase is especially noticeable in the 18-24 age group, taking into account the fact that by the end of November 1970, there were 66,000 more young workers unemployed in Canada as compared with November 1969.

I have in hand a more comprehensive study of the unemployment situation of our younger workers as published in the DBS monthly bulletin. Let me quote the statistics for the third quarter of 1970, compared with the corresponding quarter of 1969:

UNEMPLOYMENT BY AGE GROUPS

	1970	1969	Rate	
14-19	131,000	93,000	5.3	3.8
20-24	99,000	61,000	12.5	9.2

So these are significant increases if we compare the two corresponding quarters of 1969 and 1970. And if we go further in this study, we see that unemployment is higher among young people from 14 to 24 years of age than for all other groups of workers.

Here are other statistics showing that this problem is not restricted to the third quarters of the years 1969 and 1970. Here are the figures for one particular week, that of June 22, for the years 1968, 1969 and 1970, among young people aged 14 to 19:

Number of Unemployed Ages 14 to 19		Rate of Unemployment
June 22, 1968	153,000	15.6%
June 22, 1969	144,000	14.6%
June 20, 1970	180,000	17.7%

Mr. Speaker, whether educated or not, our youth is doomed to unemployment. Such are the conclusions from the statistics I have just cited and which were mentioned in the specialized magazine *Supply and Demand,* and I quote:

Short-term forecasts are most pessimistic. Even though federal authorities refuse to make any comment on the situation, experts assert that the labour market for new graduates will be practically non-existent in the spring.

Here is another excerpt from a recent issue of the same magazine:

—that the number of openings for young graduates has increased by only 3.4 per cent since 1969 while the number of graduates has increased by 10 per cent during the same period. Thus the gap is widening and experts do not forecast any improvement in the foreseeable future.

In Quebec, the situation is hardly any better than in Canada as a whole. In this regard, the Economic Council of Canada thinks that la Belle Province will have created only 3,000 new jobs in 1970 while universities and junior colleges will inundate the labour market with over 16,000 graduates in 1971, up 22 per cent from last year—

According to the chairman of the Economic Council of Canada, a short term solution would be to increase by 5 per cent the rate of economic growth in Canada.

It seems that it is in the field of pure sciences that the most serious problems exist. This year, the demand for scientists in every branch decreased by 22 per cent. Interest in scientific research must be encouraged without delay in the private sector if the situation is to improve.

In the field of arts, we also note a decline that varies between 15 and 30 per cent. The market for holders of master's degrees has also gone down by about 20 per cent. Finally, students entering the labour market with doctor's degrees have seen their job opportunities drop by 25 per cent in the last twelve months.

Some experts even say that the university students who are pursuing advanced studies in literature, social sciences and psychology made hopeless options, having regard to future needs.

Engineering students are those who are the least affected by the lack of skilled jobs, although there are also disparities in that area. Job opportunities in engineering have increased by 12 per cent in 1970 and the number of graduates by 15.4 per cent in the same period.

That is the way things are, Mr. Speaker. Those are the conditions experienced by the young people between 18 and 24 who are graduating from colleges and universities. That is the dead-end awaiting the young Canadians who made the necessary sacrifices to obtain a sound training and who cannot find any outlet for their energies, their talent and their knowledge, which would be so useful to the country to help all people enjoy a higher standard of living, to the extent of our material and human resources.

But such is not the case. Thousands of Canadian families are deprived of the bare minimum, while stores and warehouses are glutted with all kinds of goods that could satisfy the essential needs of all Canadian families.

Mills are closing down or are operating below capacity while Canadians, especially young people between 18 and 24, who are ready to devote their efforts and skills to the Canadian community, so that it may take advantage of their knowledge, are compelled to remain idle, unproductive and even in certain cases, to live at the expense of the State.

However, Mr. Speaker, there remains so much to be done in this country. I feel that we should do the utmost to enable those young people to put their talents to good use.

We need housing, schools and universities. Many ridings and small towns are not yet equipped with community centres or homes for retired people.

In certain areas, improved transportation would be required to move goods to larger centres. We also need community centres, libraries, and God knows what.

A great deal of energy is wasted every year because our young people from 18 to 24, who have had more schooling than earlier generations, are unemployed and do not produce. If the present production system was soundly and realistically financed, it would be possible to achieve all these objectives.

To further production and provide more well-being to all Canadians, the government should agree to the motion introduced by the hon. member for Lotbinière (Mr. Fortin), in order to support total demand through increased purchasing power, especially in the hands of the people who need it more in our society.

During this debate, the Minister of Manpower and Immigration (Mr. Lang) praised the programs now in operation. He said that we must have faith in the future.

We do have faith in the future, but the programs in force up to now have failed to provide our young people with work which would allow them to earn a living and have the country benefit from their capabilities and their education, which we gave them at the cost of many sacrifices.

• (9:20 p.m.)

[*English*]

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I welcome the opportunity to speak on this allotted day on the subject of youth unemployment. Subject to certain reservations, I congratulate the Créditiste party for bringing this subject before the House for the attention of all Canadians. Although everyone in this House realizes the seriousness of the situation with regard to youth unemployment, it is my intention to make a few remarks on the subject of youth development in this nation of ours which, if it showed serious concern, would overcome the unemployment disease with which we are faced.

This government of ours keeps repeating, with obvious pomposity, that the opposition has been weak in providing alternatives to some of the programs of the government. They have been asking us to provide some ideas to be used in their consideration of policy for the betterment of our nation. But unfortunately, Mr. Speaker, again the government uses meaningless words for political gain, instead of upholding their stand on utilizing Parliament in order to reach the objectives involving the common good of the 22 million citizens, both old and young, of our nation.

On two occasions in the past month I stood in this House and offered common sense ideas which would overcome the unemployment situation with regard to our youth. One one occasion I asked the Minister of National Defence (Mr. Macdonald) if he would consider the reintroduction of special militia training programs similar to the ones introduced in 1961 by the Progressive Conservative government of the day. At that time a series of militia training programs were initiated to overcome the unemployment situation in Canada and, at the same time, to afford a cross-section of our young citizens a training program to assist in the civil defence program which held a priority in the thinking of our military minds of the day.

Unfortunately, Mr. Speaker, the minister couldn't have cared less and discounted the suggestion which I had offered respectfully and earnestly. All I did was prove the attitude of this government toward the parliamentary system and toward recognizing worth-while ideas or suggestions that happened to come from the official opposition.

In my speech in reply to the Speech from the Throne I suggested the creation of a ministry of youth development which, to my mind and to the minds of many Canadians in this nation, should be treated as a priority. It is so obvious that over the years we have neglected the youth of our country to whom we look for our future leaders. This neglect has brought about our experiencing hostility and rebellion. Instead of that, we could have been achieving a participation and an involvement which in the end would have accomplished the goals of producing a better Canadian nation through the leadership of our youth.

The example of where our Canadian leaders have come from has escaped the attention of our supposed leaders. I refer to the remote areas of our country which continue to be neglected in favour of professorial thinking to the effect that the object of the exercise is to take all people from the remote areas of Canada and throw them into the Montreals, Torontos and Vancouvers. It is strange, to my way of thinking that at the drop of a hat this government can find the moneys that will allow a few of our better athletes to compete in order that a few medals may be won by a few, while the many thousands in the remote areas of Canada who require a few pennies to develop their bodies are left unrecognized. Why do we look for gold medals for a few, when for the same cost we can realize the development of the majority who can contribute to the betterment of our citizens of the future.

Sooner or later, Mr. Speaker, we must realize that the Canadian nation must recognize the value of all our youth. Instead of concentrating in our "one-rut mind" on the idea that those in the more affluent cities can produce the championships that we are looking for, we ought to recognize the value of over-all youth development. Instead of Information Canada, let us establish a "Youth Development Canada". I say, let us not waste the potential of our young people in the remote areas of Canada just because they do not happen to have the advantage of living in the more affluent provinces.

We have had examples of hostility and rebellion in the province of Quebec. We have seen the results of hostility and rebellion; the results were the murder of those who are dedicated to the preservation of our nation. Yet we fail to recognize what we who are Members of Parliament have strived for, the importance of the preservation of our society no matter whether we be French or English or from any other ethnic group of our society.

The majority of Canadians have supported this government in its decisions on the preservation of our federal society. The future of our nation is in our youth. Let us contribute some of the bulk of our affluence to the pre-

servation of our youth, for the better future of our Canadian nation. Not too long ago I suggested to the Minister of National Defence that he, together with the Minister of Manpower and Immigration (Mr. Lang) should give serious consideration to preserving our society by introducing a program to involve the youth of our country through special militia training programs. That would alleviate the unemployment situation which exists in our country. Such a program should provide, for the initiative of our youth, a contribution to training under leadership. Our society should be preserved through programs which assist in the support of civil law and order. It should provide a sense of participation. Our youth should be allowed to contribute to the security of our nation. Such a program would create an involvement of our youth to acquire leadership qualities and a sense of purpose in the future of our nation.

• (9:30 p.m.)

I followed up my sincere contribution to the government in a "late show" debate in this House. As is usual, I received a lip service answer about what the government is doing to provide for the youth of the country. The government is only providing for a few, Mr. Speaker. At the drop of a hat the government will provide hundreds of thousands of dollars to help a hockey team try to win a medal or championship in Europe. I have asked the government many times to provide funds for the thousands of our youth who cannot provide for themselves because of lack of community participation or government contributions. This would help them become better citizens. The answers are not too quick in coming forward.

I sincerely ask the government to provide a base for developing our nation through the youth of our country. At this time when new ministries and portfolios are being created, I plead with the government to make a most important contribution to our nation—the establishment of a department of youth development. If such a department were established, the experts in our defence department and other experts could ensure a proper, progressive development of the youth, our future leaders. We must be sincere when we say we want our youth to participate and become involved. We must provide in our budget for the educational, sociological and leadership qualities to ensure the preservation of our future. There must be a steady, progressive approach so that Canada will be as great a country as we want it to be.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, during the few minutes still at our disposal on this memorable opposition day, that was in fact organized by the Ralliement créditiste, I shall try to be as brief as possible, in order to allow the House to grasp properly the most important point of our motion, and to co-operate with the government to improve the situation of our young Canadians.

Mr. Speaker, this is the first time since I have been in the House that a non-confidence motion draws so much interest. I am proud and quite happy that the mover is a member of the Ralliement créditiste, a very young man whose name I need not give, the hon. member for Lotbinière (Mr. Fortin).

The remarks made this afternoon by the Minister of Manpower and Immigration (Mr. Lang), who said the hon. member for Lotbinière was against education, were inaccurate. It is normal that as a father of 12 children, I should take part in this interesting debate to say how I am in favour of even more education for our young people.

Our motion is not at all against a higher degree of education, but is against the fact that the government failed to take the necessary steps to provide employment to the thousands of students coming out of school every year.

It is true that we have put all our eggs in one basket. All governments did the same anyway. But while earmarking millions of dollars for education, the government should have used as great an amount to promote the development of our natural resources and industrial development, so as to create more jobs for graduates at all levels.

A while ago the hon. member for Beauce (Mr. Rodrigue) pointed out the number of graduates entering the labour market each year. That was no exaggeration on his part. I have here the November 24, 1970, edition of the newspaper *La Presse* from Montreal. It is not a Créditiste newspaper as far as I know. One can read the following:

> The number of university graduates is increasing twice as fast as the number of available jobs.

That means that there is something wrong in our economic system, something that really prevents production from serving its purpose, so as to enable our industries to keep on operating, to improve in order to provide employment for those entering the labour market, to work towards new discoveries, to attempt to have the people benefit from the riches they are entitled to.

Now, Mr. Speaker, the first proposal of the Ralliement créditiste, often stated by Major Douglas, is that the people's purchasing power should be equal to the collective price to be paid for the consumer goods on sale.

It is a matter of achieving a purchasing power perfectly balanced between prices that consumers must pay and the money they have in their hands. In other words, the proposition of Major Douglas providing for the compensated discount is no more and no less than a regulator like the one used formerly to regulate steam-powered engines. It was a kind of contraption operated by centrifugal force and whose role was to make the engine turn faster when the energy demand was greater, and slower when demand decreased.

It was the regulator which kept a constant balance between the energy required and the reserve kept under pressure in the boiler.

Same thing in economics. We need a regulator which will always take into account the productive possibilities and the needs of the whole nation in order to ensure a constant balance between that possibility of production and the needs of the consumers. The regulator in the Creditiste system is the compensated discount.

Secondly, Mr. Speaker, we are sometimes asked to elaborate on what we mean by the issue of credit to increase the purchasing power in order that there would be continuity in production, and that this production may reach consumption. This is a dividend. What is a dividend? This is no Creditiste invention. Certain ministers receive dividends from companies where they are shareholders. Do they refuse these dividends? Absolutely not. What are their dividends? They are the profits distributed to the shareholders who have put capital into companies. And they are called capital dividends.

It is the same within a cooperative when several persons get associated for some kind of business and if there is a surplus at the end of the year it is distributed among members.

And since in our society we are getting associated to live better, to share our work, our intellectual and human resources, it is quite normal that at the end of the year we draft the balance sheet of our operations. If we have a surplus it should be distributed to the community.

This is why it is called a dividend. Its purpose is to have the whole of society benefit from surpluses accumulated for generations and from the work of those who permitted these surpluses to be useful to someone and to keep our economic system running for all to enjoy. Nothing scandalous about that.

Mr. Speaker, when I am asked: "But have you got any other proposals?" I reply by simply reading the conclusion of a conference given in Ottawa in 1936 by the Dean of the Economics and Political Science Faculty of Laval University, and I quote:

• (9:40 p.m.)

[*English*]

The Acting Speaker (Mr. Laniel): Order, please. It being 9.45 p.m., it is my duty, pursuant to section 10 of Standing Order 58, to interrupt these proceedings and forthwith put every question necessary to dispose of the motion before the House.

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

• (9:50 p.m.)

Division

YEAS

Messrs:

Alexander
Asselin
Baldwin
Barnett
Bell
Benjamin
Bigg
Broadbent
Burton
Comeau
Crouse
Dinsdale
Douglas (Nanaimo-Cowichan-The Islands)
Downey
Fairweather
Flemming
Forrestall
Gundlock
Hales
Harding
Hees
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Edmonton West)
La Salle
Lewis
Lundrigan
MacEwan
MacInnis (Cape Breton-East Richmond)
MacLean
Macquarrie
McCleave
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Marshall
Mazankowski
Monteith
Moore
Muir
Murta
Nesbitt
Nielsen
Nowlan
Nystrom
Orlikow
Peddle
Peters
Ricard
Ritchie
Rowland
Ryan
Rynard
Schumacher
Scott
Simpson
Skoberg
Skoreyko
Southam
Stanfield
Stewart (Marquette)
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Yewchuk—69.

NAYS

Messrs:

Allmand
Anderson
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blouin
Borrie
Boulanger
Breau
Caccia
Cafik
Cantin
Chappell
Clermont
Cobbe
Comtois
Corbin
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cyr
Danson
Davis
Deachman
Deakon
Douglas (Assiniboia)
Drury
Dupras
Duquet
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Givens
Goode
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jerome
Kaplan
Kierans
Lachance
Laflamme
Lang (Saskatoon-Humboldt)
Langlois
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
McNulty
Mahoney
Major
Marceau

Division

Messrs:

Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Noël
O'Connell
Olson
Osler
Otto
Penner
Pepin
Perrault
Portelance
Pringle
Prud'homme
Reid
Richardson
Roberts
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Serré
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—116.

The Acting Speaker (Mr. Laniel): I declare the amendment to the amendment lost.

Mr. MacInnis: On a point of order, Mr. Speaker the Secretary of State for External Affairs (Mr. Sharp) continues to abuse the voting procedure in this House by walking in and out of the chamber.

Some hon. Members: Hear, hear!

Mr. MacInnis: Mr. Speaker, the rules are quite clear on this. No member, including the Secretary of State for External Affairs—

The Acting Speaker (Mr. Laniel): Order, please. The Chair is quite aware of the point raised by the hon. member for Cape Breton-East Richmond (Mr. MacInnis) but I must bring to his attention that in the opinion of the Chair nobody came into the chamber while the vote was being taken.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Laniel): This gives the Chair a good opportunity to bring to the attention of hon. members that the rule provides that no one should enter the chamber while a vote is being taken, but this rule does not prevent hon. members from coming in between votes.

Mr. MacInnis: Mr. Speaker—

• (10:10 p.m.)

Some hon. Members: Sit down.

The Acting Speaker (Mr. Laniel): Order, please. Does the hon. member wish to express a further opinion?

An hon. Member: I hope so.

[The Acting Speaker (Mr. Laniel).]

Some hon. Members: Oh, oh!

Mr. MacInnis: Yes, Mr. Speaker, if the bums and idiots will be quiet now.

The Acting Speaker (Mr. Laniel): Order, please. The Chair has another responsibility, which is to maintain and ensure decorum in this House. The Chair would appreciate it if the hon. member would make his point clearly.

Mr. MacInnis: Mr. Speaker, that is exactly the case: Your Honour has to look after the decorum of the House and when a member walks in, no matter whether he holds office in the cabinet or not, he is violating the rules of the House.

The Acting Speaker (Mr. Laniel): I must remind the hon. member that the decision has been made on that point. If the hon. member does not mind, the House will carry on with the voting.

The question is on the amendment to the main motion.

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

YEAS

Messrs:

Alexander
Asselin
Baldwin
Barnett
Bell
Benjamin
Bigg
Broadbent
Burton
Comeau
Crouse
Dinsdale
Douglas (Nanaimo-Cowichan-The Islands)
Downey
Fairweather
Flemming
Forrestall
Gundlock
Hales
Harding
Hees
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Edmonton West)
La Salle
Lewis
Lundrigan
MacEwan
MacInnis (Cape Breton-East Richmond)
MacLean
Macquarrie
McCleave
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Marshall
Mazankowski
Monteith
Moore
Muir
Murta
Nesbitt
Nielsen
Nowlan
Nystrom
Orlikow
Peddle
Peters
Ricard
Ritchie
Rowland
Ryan
Rynard
Schumacher
Scott
Simpson
Skoberg
Skoreyko
Southam
Stanfield
Stewart (Marquette)
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Yewchuk—69.

NAYS

Messrs:

Allmand
Anderson
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blouin
Borrie
Boulanger
Breau
Caccia
Cafik
Cantin
Chappell
Clermont
Cobbe
Comtois
Corbin
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cyr
Danson
Davis
Deachman
Deakon
Douglas (Assiniboia)
Drury
Dupras
Duquet
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Givens
Goode
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jerome
Kaplan
Kierans
Lachance
Laflamme
Lang (Saskatoon-Humboldt)
Langlois
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
McNulty
Mahoney
Major
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
Noël
O'Connell
Olson
Osler
Otto
Pelletier
Penner
Pepin
Perrault
Portelance
Pringle
Prud'homme
Reid
Richardson
Roberts
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—119.

The Acting Speaker (Mr. Laniel): I declare the amendment lost. The question in now on the main motion.

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

Division

YEAS

Messrs:

Beaudoin
Dionne
Fortin
Gauthier
Godin
Lambert (Bellechasse)
Laprise
Latulippe
Matte
Rodrigue
Rondeau—11.

NAYS

Messrs:

Alexander
Allmand
Anderson
Asselin
Badanai
Baldwin
Barnett
Barrett
Basford
Béchard
Beer
Bell
Benjamin
Benson
Bigg
Blouin
Borrie
Boulanger
Breau
Broadbent
Burton
Caccia
Cafik
Cantin
Chappell
Clermont
Cobbe
Comeau
Comtois
Corbin
Côté (Richelieu)
Côté (Longueuil)
Crossman
Crouse
Cyr
Danson
Davis
Deachman
Deakon
Dinsdale
Douglas (Assiniboia)
Douglas (Nanaimo-Cowichan-The Islands)
Downey
Drury
Dupras
Duquet
Fairweather
Flemming
Forest
Forget
Forrestall
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Givens
Goode
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Gundlock
Haidasz
Hales
Harding
Hees
Hogarth
Hopkins
Howard (Okanagan Boundary)
Howe
Hymmen
Jerome
Kaplan
Kierans
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lachance
Laflamme
Lambert (Edmonton West)
Lang (Saskatoon-Humboldt)
Langlois
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lewis
Lind
Loiselle
Lundrigan
Macdonald (Rosedale)
MacEachen
MacEwan
MacGuigan
MacInnis (Cape Breton-East Richmond)
MacLean
Macquarrie
McCleave
McCutcheon
McGrath
McIntosh
McKinley
McNulty
McQuaid
Mahoney
Major

Division

Messrs:

Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Marshall
Mazankowski
Monteith
Moore
Morison
Muir
Munro
Murta
Nesbitt
Nielsen
Noël
Nowlan
Nystrom
O'Connell
Olson
Orlikow
Osler
Otto
Peddle
Pelletier
Penner
Pepin
Perrault
Peters
Portelance
Pringle
Prud'homme
Reid
Ricard
Richardson
Ritchie
Roberts
Robinson
Rochon
Rowland
Roy (Timmins)
Roy (Laval)
Ryan
Rynard
Schumacher
Scott
Serré
Sharp
Simpson
Skoberg
Skoreyko
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Southam
Stafford
Stanbury
Stanfield
Stewart (Marquette)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Tolmie
Trudeau
Trudel
Turner (London East)
Valade
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting
Yewchuk—188.

• (10:20 p.m.)

The Acting Speaker (Mr. Laniel): I declare the motion lost.

SUPPLEMENTARY ESTIMATES (A) and (B), 1970-71

Hon. C. M. Drury (President of the Treasury Board) moved:

That the Supplementary Estimates (A) and (B) of the sums required for the service of Canada for the year ending on the 31st March 1971, placed before the House on November 17th and December 4th, 1970, respectively, be concurred in.

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

Some hon. Members: Agreed.

Some hon. Members: On division.

Motion agreed to.

Mr. Drury thereupon moved that Bill C-211, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1971, be read the first time.

Motion agreed to and bill read the first time.

Mr. Drury thereupon moved that Bill C-211, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1971, be read the second time and referred to the Committee of the Whole.

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

On clause 2—$465,312,758 granted for 1970-71.

Clause agreed to.

Clauses 3 to 6 inclusive agreed to.

Clause 1 agreed to.

Schedule A agreed to.

Schedule B agreed to.

Title agreed to.

Bill reported.

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

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

Mr. Knowles (Winnipeg North Centre): On division.

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

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, so there may be no misunderstanding, I should like the leader of the House to indicate the business for tomorrow and the next day.

• (10:30 p.m.)

Mr. MacEachen: Mr. Speaker, tomorrow we shall begin with the bill respecting statistics of Canada, followed by the bill respecting packaging and labelling, the bill respecting weights and measures, the omnibus loans bill, the bill respecting the Buffalo and Fort Erie Public Bridge Company, the anti-dumping bill and the bill in respect of Deuterium of Canada Limited. If we succeed in passing those bills, we shall take the bill respecting the Old Age Security Act.

The Acting Speaker (Mr. Laniel): Order. It being after ten o'clock, this House stands adjourned until two o'clock tomorrow afternoon.

At 10.33 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, December 16, 1970

The House met at 2 p.m.

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF PRIME MINISTER EDWARD HEATH OF GREAT BRITAIN

Mr. Speaker: May I seek the indulgence of the House to draw the attention of hon. members to the presence in the Speaker's gallery of a most distinguished visitor, the Right Hon. Edward Heath, Prime Minister of Great Britain.

Some hon. Members: Hear, hear!

Mr. Speaker: The Canadian Parliament owes a great deal in its traditions and in its constitution to the British House of Commons; that is one of the many reasons why we extend so warm a welcome to the Prime Minister today. As he surveys our proceedings he will note at once the affinity between this House and the House of Commons at Westminster, of which he is such an illustrious member.

Mr. Heath has had a most distinguished parliamentary and public career, having occupied two of the great offices of Parliament, namely, those of the Leader of the Opposition and Prime Minister, leaving only that of the Speaker to be achieved.

Some hon. Members: Oh, oh!

• (2.10 p.m.)

Mr. Speaker: He has had a notable record in wartime and has made a significant contribution to the public life of England and the Commonwealth. We welcome him as one of our own and wish him a pleasant, productive and happy stay, brief as it may be, in our country.

[*Translation*]

It is with great pleasure, Mr. Prime Minister, that we welcome you in this country. All the members of this House hope that you will soon be back in Canada for a longer stay.

[*English*]

ROUTINE PROCEEDINGS

IMPORTS DURING INDUSTRIAL DISPUTES ACT

PROHIBITION OF IMPORTATION OF SIMILAR PRODUCTS BY COMPANIES INVOLVED IN STRIKES

Mr. J. Edward Broadbent (Oshawa-Whitby) moved for leave to introduce Bill C-212, respecting the importation of goods produced by corporations engaged in industrial disputes.

Mr. Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the said bill?

Some hon. Members: Explain.

Mr. Broadbent: The purpose of this bill, Mr. Speaker, is to prevent corporations in Canada which are involved in strikes from importing products essentially similar to those which they manufacture pending settlement of that strike. Although this principle has general relevance it is of particular concern to those industries involved in free trade pacts such as the auto pact. On that subject, Mr. Speaker, it gives me great pleasure to inform the House that a short while ago I was informed that a tentative agreement has been reached between the United Automobile Workers of Canada and General Motors.

Mr. Speaker: Order, please.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

ENCOURAGEMENT OF RETURN OF PROFESSIONALS TO CANADA

Question No. 9—**Mr. Nowlan:**

What active and concrete steps to encourage Canadian professionals in the social sciences, humanities and the arts, presently resident abroad to return to this country, have been taken by the Canada Council?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canada Council as follows: Most Canada Council programs have this effect since they are meant to create better conditions and more opportunities in this country for Canadian professionals in the arts, humanities and social sciences. For example, the orchestras and the opera, theatre and dance companies which receive Council grants offer employment to Canadian artists, and the Council's research grants and leave fellowships to faculty members in the humanities and social sciences contribute to making Canadian universities more attractive places of employment for Canadian scholars. The Council is now conducting a study to determine where and in what numbers recent holders of its doctoral fellow-

ships are employed. It has in addition recently published a directory of Council-assisted doctoral students who are near completion of their studies for distribution to universities and other potential employers in Canada.

[*English*]

GRAIN—RESPONSIBILITY FOR PAYMENT OF FREIGHT RATES

Question No. 17—**Mr. Skoberg:**

What written regulation or agreement is in effect, which spells out that the grain producer is responsible for the payment of freight rates to either Thunder Bay or Vancouver?

Hon. Otto E. Lang (Minister Responsible for The Canadian Wheat Board): Under the terms of the Canadian Wheat Board Act, sections 25 and 35, and the Regulations made thereunder, the Canadian Wheat Board shall pay to producers selling and delivering wheat, oats or barley produced in the designated area to the Board, a sum certain per bushel basis in store Thunder Bay or Vancouver. Since the purchase of these grains is basis Thunder Bay or Vancouver the producer is responsible for transportation costs.

CONSUMER PURCHASING POWER OF 1949 DOLLAR

Question No. 33—**Mr. Mather:**

In terms of consumer purchasing power, what percentage of the 1949 dollar has been lost in the intervening years?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports that: The Consumer Price Index for Canada (1949=100) stood at 168.3 for October 1970. On the basis of this index movement, the purchasing power of the dollar spent on consumer goods and services in October 1970, in terms of the 1949 dollar, would be 59 cents. The decline in the purchasing power of the consumer dollar since 1949, therefore, would amount to 41 per cent.

DAWSON CITY HISTORIC SITE—DISAPPEARANCE OF ARTIFACTS

Question No. 151—**Mr. Dinsdale:**

1. Are artifacts disappearing from the Dawson City Historic Site?

2. Has the government investigated this continuing loss of priceless historic treasures?

3. What action has the government taken to (a) stop the flow (b) deal with the offenders?

4. What remedies are available to the government in the matter?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. Artifacts are not disappearing from National Historic Sites in Dawson City owned by the Department. There have, however, been instances where items have been removed from unoccupied Crown land and private property.

2. During the past summer, two cases where offenders had removed articles from Crown land have been investigated by the R.C.M.P. with the result that the articles removed were returned to the Territory.

[Mr. Pelletier.]

3. Action is taken whenever possible, but it is extremely difficult to protect artifacts or to prosecute the offenders when articles are taken from privately owned property and unoccupied Crown land.

4. In instances where the owner of the property can be identified and ownership can be established, it would be possible to initiate prosecution under the Criminal Code. The continued vigilance of the R.C.M.P. and the cooperation of local residents are the primary remedies available.

ALLOWANCES AND EXPENDITURES CLAIMED BY OIL, GAS AND MINING COMPANIES

Question No. 185—**Mr. Harding:**

1. What is the total amount of depletion allowances claimed by (a) oil and natural gas companies (b) all other mining companies in each year 1966 to 1969?

2. What is the total amount of exploration and development expenditures claimed for tax purposes by (a) oil and gas companies (b) all other mining companies for each of the same years?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports that: 1. The total amount of depletion allowances claimed is as follows:

	(a) Oil and Natural Gas Companies	(b) Other Mining Companies
	$ million	
1966	68.4	110.2
1967	61.3	111.3
1968	68.2	109.1
1969	not available	not available

2. The total amount of exploration and development expenditures claimed for tax purposes is as follows:

	(a) Oil and Natural Gas Companies	(b) Other Mining Companies*
1966	521.6	181.5
1967	557.3	209.1
1968	626.5	209.9
1969	not available	not available

* Figures do not include exploration and development expenditures claimed for tax purposes by companies that had some mining activities, but whose principal business was in other fields. These expenditures were as follows: $ million, 1966, 19.4; 1967, 44.7; 1968, 63.4; 1969, not available.

TRADE—BEEF PROMOTION

Question No. 273—**Mr. Southam:**

1. What initiative is the government taking to penetrate the Japanese beef market in view of the rapid increase of consumption of beef in that country over the past several years?

2. Can the government indicate what special action is being taken to stimulate beef sales in other areas of the world?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. Following an initial survey of the market by its Trade Commis-

sioner Service, the Department of Industry, Trade and Commerce sponsored a show and exhibition of beef quality and grades in Japan in late 1968. This was followed by a Canadian Food Fair in early 1969 where meat products were exhibited. A mission to Canada of a group of Japanese meat industry representatives in October and November, 1969, was sponsored by the Department of Industry, Trade and Commerce, during which Japanese officials were shown Canadian meat production from the ranch to the table. In the fall of 1970, in conjunction with a large departmental store in Tokyo, a promotion of Canadian products is being held which will feature Canadian meat products. In early 1971, a promotion directed to the hotel and restaurant trade, and featuring beef products specifically, is being planned. This promotion will take place in Tokyo and Osaka.

2. A meat trade study was conducted in Europe early in 1970 by the Department of Industry, Trade and Commerce, the results of which are presently being published and are scheduled to be released within a few weeks. This study covered the major meat importing countries of Europe. On the United States' and Caribbean markets, the Department of Industry, Trade and Commerce has participated in a variety of food shows and has assisted Canadian exporters in establishing contacts with importers in these areas.

PERCENTAGE OF BUDGET FOR RESEARCH PURPOSES

Question No. 303—**Mr. Robinson:**

What percentage of the total budget is allocated for research purposes of one kind and another?

Hon. C. M. Drury (President of the Treasury Board): General reply for the Public Service at large: Data pertaining to expenditures on scientific activities in the physical, engineering and life sciences are collected annually by DBS. This compilation includes expenditures identified functionally under Physical Sciences Research and those expenditures on scientific activities in support of other functions. In 1970-71, funds allocated to scientific activities account for approximately 5.8 percent of the budgetary Main Estimates. Complete data pertaining to expenditures on scientific activities in the social sciences are not available, but expenditures functionally identified under Social Science Research, account for approximately 0.4 percent of the 1970-71 budgetary Main Estimates.

ATLANTIC PROVINCES TRANSPORTATION STUDY

Question No. 314—**Mr. Comeau:**

Has the overall study of transportation requirements for the Atlantic Provinces been completed and, if not, when is it expected to be completed?

Mr. Gerard Duquet (Parliamentary Secretary to Minister of Transport): The Federal-Provincial Committee on Atlantic Region Transportation submitted its initial report in May of this year. The report recommendations dealing primarily with disposition of the M.F.R.A. intra-select territory rail subsidy have been accepted in large measure and action to implement the recommended changes is in hand. It has been proposed that the Committee continue to function; as soon as representation on the Committee has been confirmed by the provinces involved, it is expected that further meetings will be scheduled. The work of the Committee, therefore, is ongoing.

CANADIAN MERCHANT MARINE STUDY

Question No. 327—**Mr. Fortin:**

1. What is the status of studies concerning the possibility of creating a Canadian merchant marine?

2. Is the feasibility study conducted by Hedlin, Menzies and Associates Ltd. completed and, if not, what is the anticipated completion date?

3. Will the studies be Tabled in the House of Commons and (a) if so, on what date (b) if not, for what reason?

Mr. Gerard Duquet (Parliamentary Secretary to Minister of Transport): 1. A report prepared by Hedlin Menzies and Associates Ltd., in conjunction with George C. Sharp Inc., on the economic feasibility of developing a Canadian merchant marine will be submitted to the Canadian Transport Commission by the end of the year.

2. See Answer to Part 1.

3. Consideration will be given to tabling the report when it is submitted to the government.

NON-AGGRESSION PACT BETWEEN NORTH AND SOUTH KOREA

Question No. 349—**Mr. Robinson:**

Will the government consider the advisability of urging the United Nations to explore fully North Korea's proposal of the non-aggression pact?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The Government is cognizant of the proposals of the North Korean authorities in Pyongyang for a non-aggression pact between the governments of North and South Korea. Similar proposals in slightly varying form have been put forward on a number of occasions in recent years, most recently in June 1970.

Common to all of the North Korean proposals for a non-aggression pact is the pre-condition of prior withdrawal of all foreign troops, i.e. U.N. forces, from the Korean peninsula. Canada is a member of the "Participating Nations Advisory Group" to the United Nations Command in Korea and the Canadian Government is in agreement with the Government of the Republic of Korea that such a pre-condition to negotiation is unacceptable at this time—at least until North Korea demonstrates by its official statements and its actions that it is seriously interested in peaceful co-existence with its southern neighbour.

The Government believes that there is perhaps more merit in the proposals for Korean re-unification made by President Park Chung-hee of the Republic of Korea in his statement of August 15, 1970. Unfortunately the Pyongyang regime has dismissed these proposals out-of-hand.

Both sets of proposals were considered in some detail in the report of the United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK) which was submitted to the Secretary General of the United Nations on September 14, 1970 for consideration by the twenty-fifth session of the General Assembly.

On the question of unification, the report expressed the belief of the Commission that, while there has been no substantial change in the position of the Republic of Korea or the Democratic People's Republic of Korea (North Korea), the views of both have been further clarified and defined by recent statements. The Report noted that both sides continued to adhere to their fixed positions and that there would appear to be little possibility in the foreseeable future that these positions would be varied. Nevertheless, the Commission declared it would remain receptive to any proposal which would permit it to fulfil a more effective function in respect of unification. It also pointed out that, while the Government of the Republic of Korea has repeatedly affirmed its adherence to the objectives of the United Nations, North Korea continues to deny the competence of the United Nations to deal with the Korean question and continues to challenge the role of the Commission in carrying out its mandate. In the Assembly debate on the Korean question this autumn, Canada co-sponsored and voted in favour of a resolution extending the life and mandate of UNCURK. This resolution received the support of a majority of the members.

NATIONAL SECURITY—FACILITIES FOR HOUSING ARMED FORCES PERSONNEL DURING RECENT CRISIS

Question No. 364—**Mr. Coates:**

Were additional facilities leased by the federal government for the housing of Armed Forces and RCMP personnel as a result of the request for Armed Forces personnel by the Government of the Province of Quebec and the decision by the federal government to use additional RCMP in the Province of Quebec and, if so (*a*) from whom were such facilities leased (*b*) for what period of time (c) at what cost?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of National Defence and the Department of the Solicitor General as follows: No additional facilities were leased for housing Canadian Armed Forces' personnel. Canadian Forces' Bases were used to support the influx of troops and a number of armouries were opened or temporarily taken over to house Regular Force personnel. In a few instances temporary duty was authorized for lodging and meals in areas where no service facilities were available. No additional facilities were leased for housing Royal Canadian Mounted Police personnel.

UNITED STATES NAVIGATION REGULATIONS

Question No. 397—**Mr. Rowland:**

1. Do American navigation regulations, as applied to the American locks at Sault Ste. Marie, Michigan, prevent the vessels of any of Canada's trading partners from entering any of Canada's Great Lakes ports and, if so (a) which ports (b) the vessels of which nations are affected?

[Mr. Sharp.]

2. If the movement of the vessels of some of Canada's trading partners in the Great Lakes are restricted by American navigation regulations, has the Canadian Government made representations to the Government of the United States in this regard?

3. What was the nature of the representations?

4. What was the nature of the response of the Government of the United States to the representations?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): In so far as the St. Lawrence Seaway Authority is concerned: 1. The U.S. Code of Federal Regulations (specifically Section 207.441 of Title 33) covering security regulations for the St. Marys Falls Canal and Locks prohibits passage of "vessels of the Sino-Soviet block countries" through the Soo Locks. This would appear to prevent passages of vessels from these countries via United States waters to all Canadian ports on Lake Superior.

2. No. The issue has not yet arisen inasmuch as no Soviet vessels have ever applied to proceed past Sarnia.

3. Not applicable.

4. Not applicable.

DR. OLIVE ROBERTSON

Question No. 418—**Mr. Robinson:**

Has Dr. Olive Robertson been refused entry to Canada and, if so, for what reason?

Hon. Otto E. Lang (Minister of Manpower and Immigration): The Department of Manpower and Immigration has been unable to locate any record of an application for entry to Canada having been submitted by a Dr. Olive Robertson.

PUBLIC SERVICE COMMISSION—EMPLOYMENT RESPONSIBILITIES

Question No. 424—**Mr. McCleave:**

1. Has the Public Service Commission delegated its employment responsibilities in the past three years to officers of various departments in (a) promotional fields (b) non-promotional fields?

2. In what areas are departments given the authority to make appointments from the open market?

3. If the answer to Part 1(a) or 1(b) is in the affirmative, what was the rationale for such a decision?

4. Has an estimate been made as to the added cost, if any, of such delegation in terms of advertising, travel of examining boards, travel of candidates, and time taken up of departmental people involved in such decisions?

5. What will be the impact of such delegation on the career prospects of public servants.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Public Service Commission as follows: (a) Yes. (b) Yes.

2. Subject to the provisions of the Public Service Employment Act and to a requirement to obtain referrals from Canada Manpower Centres, most of the major departments and agencies have been given authority to make appointments from the open market in: (a) all groups in the Administrative Support Category. (b) all

groups in the Operational Category except the Correctional Group. A number of major departments have been given authority subject to certain limitations, to make appointments from the open market in the Administrative Services Group and the Program Administration Group of the Administrative and Foreign Service Category.

3. The Commission's decision regarding delegation of authority took into consideration: the maintenance of the merit principle in the making of appointments; consideration of the recommendations of the Royal Commission on Government organization; consideration of the recommendations of the Preparatory Committee on Collective Bargaining in the Public Service of Canada; consideration of the deliberations of the Special Joint Committee of the Senate and House of Commons on Employer-Employee Relations in the Public Service of Canada; consideration of special studies carried out by the Commission's staff on means of optimizing the effectiveness of the staffing function.

4. No.

5. None.

[*English*]

AIR TRAFFIC CONTROL AUTOMATION

Question No. 445—**Mr. Forrestall:**

1. At what stage are government plans with respect to automation in our air traffic control systems?

2. What planning is being done now with respect to post 1980 air traffic control systems?

3. Has the government evaluated as yet the studies resulting from the trial operations of Univac's ARTS 111 system and, if so, when might a decision be made to adopt this flexible automated system for Canadian use?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. Planning is in progress to define air traffic control systems improvements incorporating a significant degree of automation for use both in terminal and enroute air traffic control.

2. The present planning for the introduction of automation into ATC is being conducted so that requirements for the latter half of the 1970's may be further extended into the 1980's in a manner which will permit the use of the latest techniques available that will meet the needs of the users at that time and provide the best ATC system available.

3. Representatives of the Ministry have been closely following the activities of the FAA in their developments of terminal automation systems (ARTS) I, II, and III and are currently conducting detailed studies of the ARTS III system. Present planning is to introduce a system similar to the ARTS III for the new Montreal International Airport and for the Toronto International Airport in 1973.

SMITHS FALLS—PUBLIC SERVICE COMMISSION OFFICE SPACE

Question No. 468—**Mr. Francis:**

1. Did the Public Service Commission engage space in Marina Hotel in Smiths Falls within the past three years and, if so, how much space was taken and what were the annual rentals?

2. Was the space redecorated for this purpose and, if so, were there any charges to the government and how much?

3. Are there any plans for continued use of this space by the government?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Public Service Commission as follows: 1. Yes. Forty-eight rooms. An annual rental was not paid by the Public Service Commission. Room rentals for forty rooms have been pro-rated to include meals and eight rooms for use as office, library, seminar rooms, lecture rooms, dining room and lounge at the rate of $20.00 per night, Monday to Friday and $11.75 per night for Saturdays and Sundays. Candidates from various departments, paid room charges in normal motel fashion, through individual departmental funds. The motel was used for thirty-six weeks each course year under direct arrangements with the Public Service Commission for the Management Course for the Career Assignment Program.

2. Redecorating was done by the owner. No funds were expended by the lessee for this purpose.

3. There are no plans for continued use of this space, in so far as the Public Service Commission is concerned.

[*English*]

CANADIAN MILITARY BASES TREATMENT PLANTS

Question No. 478—**Mr. Godin:**

Are Canadian military bases equipped with a treatment plant, and (a) if so, which ones (b) if not, are there projects of this kind and for which bases?

[*Translation*]

Hon. Donald S. Macdonald (Minister of National Defence): Except for the following, all Canadian military bases are either provided with a sewage treatment plant or, where feasible, connected to a municipal sewage system. The following installations do not have sewage treatment facilities: Massett, B.C., stuides are in hand to develop a regional system to meet municipal and federal needs; Esquimalt, B.C., work is to start in 1971 to incorporate with a new regional system; Shearwater, N.S., engineering studies are now in progress; Bedford, N.S., engineering studies are now in progress; Shannon Park, N.S., a study is in hand and consideration is being given to incorporating with the Dartmouth system.

[*English*]

GOVERNMENT REGULATIONS COVERING TANK CLEANING PROCEDURES

Question No. 480—**Mr. Anderson:**

On the basis of the research work done by Gulf Oil, Shell Oil and Chevron following explosions on the three supertankers *Shell Mactra, Shell Marpessa* and *King Haakon* in December, 1969, has the government issued any new regulations governing tank cleaning procedures on Canadian tankers and barges or non-Canadian vessels in Canadian waters?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The research into the supertanker explosions referred to is still in progress. Officials of the

Department of Transport are following up on this matter and if changes in tank cleaning procedures or any other safety measures for Canadian tankers are found necessary, these will be implemented.

CBC—DELEGATION TO CONFERENCE ON CANADIAN-AMERICAN RELATIONS, NEW YORK

Question No. 490—**Mr. Rodrigue:**

1. How many delegates were sent by CBC to the 12th Conference on Canadian-American relations in New York?
2. What is the status of each delegate within CBC?
3. How many of them represented the English network?
4. How many of them represented the French network?
5. What was the amount of authorized expenses for this conference?
6. What were the expenses for CBC delegates who attended the conference?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the CBC that the Corporation did not send delegates to the conference. However, six CBC people were sent for the purpose of covering the conference for English radio and television services and the CBC international service; five people were sent to cover the conference for the French radio and television services. In each case, normal travel and accommodation allowances applied.

[*English*]

DEPARTMENT OF SOLICITOR GENERAL—MAN HOURS SAVED AS A RESULT OF USE OF COMPUTERS

Question No. 492—**Mr. Robinson:**

How many man-hours have been saved as a result of the utilization of computers by the Department of the Solicitor General during each year since computers have been used?

Hon. G. J. McIlraith (Solicitor General): Nil. The Department of the Solicitor General does not have the exclusive use of a computer in its operations and the utilization of computer services has not resulted to date in savings in man-hours; this utilization, however, has resulted in the production of information not otherwise available for more efficient operation.

DEPARTMENT OF SOLICITOR GENERAL—UTILIZATION OF COMPUTERS

Question No. 493—**Mr. Robinson:**

As a result of the use of computers by the Department of the Solicitor General how many employees have been (a) laid off (b) hired?

Hon. G. J. McIlraith (Solicitor General): (a) Nil. (b) Nil.

SHIP HARBOUR, NFLD.—RESPONSIBILITY FOR WHARF FACILITIES

Question No. 496—**Mr. Carter:**

Has the government made representations to the United States Government with a view to having responsibility for existing wharf facilities owned by that Government at Ship Harbour, Newfoundland, transferred to the Canadian Government and made available for use by the residents of the area and, if so, what were the results?

[Mr. Duquet.]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): No.

PLACENTIA, NFLD.—FEDERAL EXPENDITURE ON CASTLE HILL, HISTORIC SITE PROJECT

Question No. 497—**Mr. Carter:**

What has been the total expenditure, to date, by the government on the Castle Hill, Placentia, Newfoundland, Historic Site Project?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): The government has spent to November 15, 1970, on Operations—$30,410, on Capital—$175,630.

HOUSING UNITS FOR ARCTIC QUEBEC ESKIMOS

Question No. 501—**Mr. Diefenbaker:**

How many housing units and in what communities and in what numbers have been provided for the Arctic Quebec Eskimos since the first of July, 1970?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Forty-five housing units have been constructed for the Eskimos in Arctic Quebec at the following locations: Fort Chimo, 30; Payne Bay, 10; Wakeham Bay, 5.

AVERAGE LIFE SPAN

Question No. 510—**Mr. Mather:**

By province and territory, what is the average length of life of (a) females (b) males?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports that: The average length of life (in years), by province or territory for (a) females, and (b) males, in 1969 was as follows:

	Females	Males
Newfoundland	61.8	58.4
Prince Edward Island	70.0	65.7
Nova Scotia	69.8	63.5
New Brunswick	68.3	62.7
Quebec	65.0	60.2
Ontario	68.7	63.6
Manitoba	68.6	64.5
Saskatchewan	67.5	65.7
Alberta	64.6	62.4
British Columbia	69.1	65.7
Yukon	38.1	41.8
Northwest Territories	28.9	34.4

NATIONAL DEFENCE—CROSS TRAINING AIR ELEMENT PERSONNEL

Question No. 516—**Mr. Forrestall:**

What steps are being taken to bring instrument and electrical technicians in the air environment of the Canadian Armed Forces up to comparable levels existing in sea and land environments?

Hon. Donald S. Macdonald (Minister of National Defence): The cross training of former air element Electrical technicians, in the rank of corporal and below is expected to be completed by March 31, 1971; for personnel in the rank of sergeant, by July, 1971. The completion of this course will bring students up to the level demanded by the Canadian Forces Trade Specification Instrument and Electrical Technicians 551. Former Instrument technicians may be cross trained at a later date in the aircraft electrical function.

NATIONAL DEFENCE—MATERIAL USED IN NEW UNIFORMS

Question No. 529—**Mr. Mazankowski:**

1. What is the material used in the new Armed Forces uniforms?

2. Was the material tested for use at sea?

3. Have the new uniforms proved satisfactory at sea?

Questions

4. Who is the supplier of the uniforms and/or material for the Armed Forces?

Hon. Donald S. Macdonald (Minister of National Defence): 1. Coat, trousers and cap, plain polyester fibre/wool 6 oz. cloth; shirt, broadcloth polyester fibre/cotton 4 oz. cloth; raincoat (heavy), garbadine viscose/polyester fibre cloth (silicone treated) 8.9 oz., raincoat (light weight), coated nylon taffeta polyurethane cloth; overcoat, melton cloth 17 oz.

2. The fabrics used in the shirt, raincoat and overcoat were previously used in former service uniforms and were considered to be tested and proven items. The polyester fibre/wool and the nylon taffeta polyurethane used in the coat and trousers and lightweight raincoat respectively were developed for the CF uniform ensemble based on fabrics which were known but not in the supply system at that time.

3. Yes.

4. Item	Uniform Supplier	Material Supplier
Coat	Scott Uniform Company 210 St. Jean Street Longueuil, Quebec	Leach Textiles Limited Huntingdon, Quebec
Trousers	Scott Uniform Company 210 St. Jean Street Longueuil, Quebec	
	Tip Top Tailors 637 Lakeshore Blvd. West Toronto, Ontario	
	Cooper Clothing Mfg. Company Limited 3981 St. Lawrence Blvd.	
Caps	William Scully Limited 2090 Moreau Street Montreal, Quebec	
	Principal Cap & Sportswear 4026 Ontario Street East Montreal, Quebec	
Shirts	La Chemise La Pointe Inc. 300 27th Street St. George (Beauce) Quebec	Dominion Textiles Limited 1950 Sherbrooke Street Montreal, Quebec
Raincoat Gabardine	Croydon Mfg. Co. Ltd. 6666 St. Urbain Street Montreal, Quebec	Associated Textiles Limited 1120 Sun Life Building Montreal, Quebec
		Dominion Textiles Limited 1950 Sherbrooke Street Montreal, Quebec
Raincoat Lightweight	Lawron Industries Limited Farnham, Quebec	the Miner Company Granby, Quebec
Overcoat	J. Freed Clothing Co. Ltd. 474 Hargreave Street Winnipeg, Manitoba	Victor Woollen Productions Limited St. Victor Station Beauce, Quebec
	Scott Uniform Company 210 St. Jean Street Longueuil, Quebec	Huntingdon Woollen Mills Limited 72 Dalhousie Street Huntingdon, Quebec

Questions

NATIONAL DEFENCE—MANPOWER STATISTICS

Question No. 530—**Mr. Mazankowski:**

1. How many members of the Armed Forces are now serving overseas?

2. How many members of the Armed Forces are now stationed in Canada?

Hon. Donald S. Macdonald (Minister of National Defence): As of October 31, 1970: 1. Outside Canada, 7,233.

2. In Canada, 83,992.

MARITIME COMMAND—REPAIRS TO *HMCS FRASER*

Question No. 531—**Mr. Mazankowski:**

1. Where is *HMCS Fraser* now located?

2. Is the ship undergoing repairs and, if so (a) for what reason (b) what is the estimated cost of such repairs?

3. Is *HMCS Fraser* still on active service?

4. When is it anticipated that the ship will return to Canada?

Hon. Donald S. Macdonald (Minister of National Defence): 1. HMCS Fraser has been in HM Dockyard at Plymouth, England, since October 17, 1970, after suffering main machinery damage while operating in United Kingdom waters.

2. Yes, (a) to renew all bearings in both gear boxes and turbines; to refurbish both forced lubricating oil pumps; and, after return to Canada, to rebuild main pinion, port gear box; (b) $60,000-$75,000.

3. On completion of repairs, Fraser will be fully operational. Until then, it is restricted in speed.

4. December 9, 1970.

NATIONAL DEFENCE—COMMISSIONED AND NON-COMMISSIONED OFFICERS

Question No. 532—**Mr. Mazankowski:**

1. How many senior commissioned officers, i.e. Colonel and above, are there in the Armed Forces?

2. How many junior commissioned officers, i.e. Lt. to Lt. Col. are there in the Armed Forces?

3. How many non-commissioned officers are there in the Armed Forces?

4. How many men are in the ranks of the Armed Forces?

Hon. Donald S. Macdonald (Minister of National Defence): As of 31 October, 1970: 1. 423.

2. 13,986.

3. Sergeants and above, 19,872.

4. Corporals and privates, 55,126.

NATIONAL DEFENCE—MANPOWER STRENGTH RETIRED TO CIVILIAN STATUS

Question No. 533—**Mr. Mazankowski:**

1. How many retired Armed Forces officers, from January, 1968 to the present, now retained on NDHQ staff, are holding the position they filled as an Armed Forces officer?

2. Who are they and what are their positions?

[Mr. Macdonald.]

3. What is the remuneration of those persons mentioned in Part 2?

4. Were those positions filled by open competition and, if not, for what reason?

Hon. Donald S. Macdonald (Minister of National Defence): 1. Twelve.

2. and 3.

Name	Position	Salary Range $
Wegren, A. J.	AS 2	8,940—10,162
Moore, G. E.	AS 1	7,924— 9,437
Finch, W. H.	ENG-6	17,688—20,100
Belanger, J. H.	GT 4	9,549—10,668
Macdonell, P. K.	AS 3	9,569—10,873
White, G. A.	AS 6	14,889—16,918
Groulx, J. H.	AS 3	9,569—10,873
Robertson, R. A.	AS 3	9,569—10,873
Whiting, M.	AS 4	10,500—11,931
Noel De Tilly, L.	AS 6	14,889—16,918
Dauphinee, M. W.	AS 2	8,940—10,612
Fitzgibbon, G. M.	MED SPEC 2	21,500—28,250

4. Three were filled by open competition and nine by departmental competition. Section 2(k) of the Public Service Employment Act defines the Public Service in such a way as to include members of the Canadian Forces for the purpose of being eligible to enter competitions and for purposes of sections 11 and 13 of the Act. Section 11 of the Act stipulates that appointments shall be made from within the Public Service except where, in the opinion of the Public Service Commission, it is not in the best interests of the Public Service to do so, and section 13 puts the onus on the Commission to determine the scope of the competition.

NATIONAL DEFENCE—SUMMER STUDENT MILITIA PROGRAM 1970

Question No. 541—**Mr. Marshall:**

1. How many students were trained under the summer student militia-training program by province?

2. How many completed the course by province?

3. How many of the students joined militia units with which they trained?

Hon. Donald S. Macdonald (Minister of National Defence): As the program was based on the current Militia organization, records were not maintained by province. The Atlantic area covers Newfoundland, Prince Edward Island, Nova Scotia and New Brunswick; Eastern, Quebec; Central, Ontario less Thunder Bay; Prairie, Alberta, Saskatchewan and Manitoba plus Thunder Bay; Pacific, British Columbia.

	(1)	(2)	(3)
Atlantic	1,091	1,000	871
Eastern	2,099	1,821	726
Central	2,466	2,336	994
Prairie	1,940	1,436	20
Pacific	976	863	384
	8,572	7,456	2,895

NATIONAL DEFENCE—STORAGE OF BLANKETS

Question No. 550—**Mr. Harkness:**

1. As of November 1, 1970, how many blankets were held in storage by the Department of National Defence?

2. How many of these are estimated to be surplus to requirements?

3. How long have these blankets been held in storage?

4. How many of these blankets, if any, were sent to East Pakistan for relief following the recent flood disaster in that country?

Hon. Donald S. Macdonald (Minister of National Defence): 1. 727,860.

2. 628,860. Surplus balance is being held pending determination of total quantity required for civil emergencies.

3. Eighteen years.

4. 50,000.

NATIONAL SECURITY—CANADIAN FORCES PERSONNEL ON DUTY DURING RECENT CRISIS

Question No. 551—**Mr. Harkness:**

In connection with the use of troops to aid the civil power during recent weeks (a) how many were placed on these duties in (i) the Province of Quebec (ii) the Province of Ontario (iii) other provinces (b) how many were (i) from infantry units (ii) from armoured units (iii) from artillery units (iv) from other units of the land element (v) naval personnel (vi) air personnel (c) of those employed in the provinces of (i) Quebec (ii) Ontario, how many were sent in from outside the province and from what bases were they sent?

Hon. Donald S. Macdonald (Minister of National Defence): It is not considered to be in the best interest of national security to release at this time the exact number of Canadian Forces' personnel employed in aid of the civil power during the recent crisis.

SUSSEX, N.B.—QUESTIONNAIRE CIRCULATED BY ARMED FORCES

Question No. 557—**Mr. Forrestall:**

What were the results of the questionnaire circulated among 200 high school students in Sussex, N.B., by the Canadian Armed Forces?

Hon. Donald S. Macdonald (Minister of National Defence): This questionnaire was circulated in two forms among two separate groups in the Sussex High School for the purpose of giving questionnaire wording a trial before actual use. Results are reflected only in the changes in the wording of the questionnaire being used in the current survey.

NATIONAL DEFENCE—SURVEY WITH RESPECT TO ATTITUDE OF CANADIANS TO ARMED FORCES

Question no. 559—**Mr. Forrestall:**

Was a survey conducted among Canadians between the ages of 15 and 22 both within the Canadian Armed Forces and among civilians with respect to their attitudes regarding the Canadian Armed Forces and, if so (a) how many questionnaires were sent out to (i) civilians (ii) members of the Forces (b) have the results been analyzed and will they be made public?

Hon. Donald S. Macdonald (Minister of National Defence): A survey is being conducted among Canadian civilians between the ages of 15 and 22 and within the Canadian Armed Forces amongst members who have up to four years completed service: (a)(i) 7,000 (ii) 2,600; (b) all returns are not yet in and no analysis has been undertaken to date. Participants were advised that replies would be confidential and used only for personnel planning purposes.

GRAIN—QUOTA DELIVERED—PAYMENT OF DIFFERENTIAL

Question No. 584—**Mr. Korchinski:**

Is it the intention of the government to provide the difference of .20c to those farmers, who in the crop year 1968-69 delivered only 4 bushel quota as compared to the 5 bushel that others delivered, since the initial price of grain was lowered by that amount in the crop year 1969-70?

Hon. Otto E. Lang (Minister Responsible for the Canadian Wheat Board): No. Significant difficulties were encountered in determining those strictly eligible for deferred delivery and no further benefit is being considered for this broad group. They are entitled to share in the 1969-70 pool.

NATIONAL DEFENCE—ARMY VEHICLE COLLISION

Question No. 593—**Mr. Godin:**

Has Army vehicle MDN No. 64-05255 been in a collision in Montmagny, Quebec and (a) if so (i) what did the damages amount to (ii) was the vehicle repaired (b) if not, how does the government intend to dispose of this vehicle?

[*Translation*]

Hon. Donald S. Macdonald (Minister of National Defence): Yes, on March 16, 1970; (a) (i) $1,125; (ii) No, it was damaged beyond economical repair; (b) the vehicle was turned over to the Crown Assets Disposal Corporation.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

MONTREAL INTERNATIONAL AIRPORT—ENGAGEMENT OF CONSULTANTS

Question No. 199—**Mr. Robinson:**

1. What consultants are presently engaged by the government for the Montreal International Airport?

2. What remuneration has already been paid to them?

3. What is the total anticipated remuneration to be paid for their services?

4. What is the *per diem* fee paid to each professional category employed as consultants?

Return tabled.

NATIONAL DEFENCE MEDICAL CENTRE, OTTAWA—NUMBER OF DOCTORS ON STAFF

Question No. 591—**Mr. Mazankowski:**

1. How many doctors are on staff at the National Defence Medical Centre, Ottawa?

2. Who are they, what is their country of origin and their respective qualifications?

Return tabled.

Motions for Papers

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Notices of Motions for the Production of Papers Nos. 39 and 161 are acceptable to the government.

STUDY BY LOUISE M. TREMBLAY FOR DEPARTMENT OF MANPOWER AND IMMIGRATION

Motion No. 39—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the study by Louise M. Tremblay, Montreal, undertaken for the Department of Manpower and Immigration regarding the "Evaluation on the activity of the Research Commission on the results of the industrial change at the Windsor (Quebec) Factory of the Domtar Pulp and Paper Company".

Motion agreed to.

QUESTIONNAIRE CIRCULATED AMONG YOUNG CANADIAN CIVILIANS AND MEMBERS OF ARMED FORCES

Motion No. 161—**Mr. Forrestall:**

That an Order of the House do issue for a copy of each questionnaire circulated during recent months among civilian Canadians between the ages of 15 and 22, and the questionnaire circulated among younger members of the Armed Forces, and a copy of the questionnaire circulated among high school students in Sussex, N.B.

Motion agreed to.

Mr. Jerome: Mr. Speaker, Notice of Motion No. 149 is acceptable to the government subject to the usual reservations concerning confidential documents and to the authorization of the government concerned.

Mr. Speaker: Subject to the reservations and conditions expressed by the Parliamentary Secretary, is it the pleasure of the House that motion No. 149 be deemed to have been adopted?

Some hon. Members: Agreed.

ST. REGIS INDIAN RESERVE ANNEXATION— CORRESPONDENCE BETWEEN GOVERNMENTS

Motion No. 149—**Mr. Howard (Skeena):**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence, telegrams or other documents exchanged between the government or any agency or department and any other government or person since January 1, 1956 relating to the annexation of Cornwall Island or any part of the St. Regis Indian Reserve by the City of Cornwall, the Province of Ontario or any agency or group established by or under the aegis of the Province of Ontario.

Motion agreed to.

Mr. Jerome: Mr. Speaker, would you be so kind as to call Notices of Motions Nos. 12, 63, 83, 88, 141 and 160.

BACKGROUND DOCUMENTS FOR CHAPTER 8, WHTE PAPER ON TAX REFORM

Motion No. 12—**Mr. Saltsman:**

That an Order of the House do issue for copies of all background papers and reports related to Chapter 8 of the Government White Paper on Proposals for Tax Reform regarding the impact on revenues and the economy.

[Mr. Mazankowski.]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move this motion on behalf of the hon. member for Waterloo.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, this motion refers primarily to a large quantity of raw data; however, a summary report is being prepared and when completed could be tabled in response to the motion, if that is acceptable to the hon. member.

Mr. Baldwin: Any data from the government side is raw.

Mr. Speaker: Subject to the reservations and conditions expressed by the Parliamentary Secretary, is it the pleasure of the House that Notice of Motion No. 12 be deemed to have been adopted?

Some hon. Members: Agreed.

Motion agreed to.

CONSULTANT REPORT CANADIAN COMMUNICATIONS SATELLITE SYSTEM

Motion No. 63—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by RCA Victor Company Limited on a Canadian Communications satellite system undertaken for the Department of Industry, Trade and Commerce in the fiscal year 1968-69, as mentioned in answer to Question Number 1,323 of the 1st session of this Parliament.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the hon. member requested this report on March 11 last; however, its disclosure was prohibited by the agreement under which the company supplied this report to the government. Since that time the contract for Telsat has been awarded and I am therefore pleased to be in a position to table the report.

Motion agreed to.

CONSULTANT REPORT ON DEPARTMENTAL INFORMATION PROGRAMS

Motion No. 83—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by W. R. Wright on departmental information programs undertaken for the Department of Industry, Trade and Commerce, as mentioned in answer to Question Number 1,323 of the 1st Session of this Parliament.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the hon. member will recall that in response to his earlier motion this year the minister was unable to table this study since the document referred to in this motion was commissioned as an internal study for departmental working purposes only. This study is confidential and I would ask the hon. member to kindly reconsider and withdraw his motion.

Mr. Skoberg: Agreed.

Order discharged and motion withdrawn.

CONSULTANT STUDY ON CANADIAN COMMUNICATIONS SATELLITE SYSTEMS

Motion No. 88—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by Northern Electric Company Limited on Canadian Communications satellite systems undertaken for the Department of Industry, Trade and Commerce in the fiscal year 1968-69, as mentioned in answer to Question Number 1,323 of the 1st Session of this Parliament.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the hon. member requested this report on March 11 last; however, its disclosure was prohibited by the agreement under which the company supplied this report to the government. Since that time the contract for Telesat has been awarded and I am therefore pleased now to be in a position to table the report.

Motion agreed to.

CORRESPONDENCE WITH UNITED STATES DEPARTMENT OF THE INTERIOR REGARDING CLAIMS TO OFFSHORE WATERS

Motion No. 141—**Mr. Harding:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all memoranda, letters, etc., exchanged in 1965 between the United States Department of the Interior and the Department of Energy, Mines and Resources regarding claims to offshore waters.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the correspondence which the hon. member has asked for does not exist by reason of the fact that the Department of Energy, Mines and Resources did not come into being until October 1, 1966. I would ask, therefore, that the hon. member withdraw his motion.

Mr. Harding: Agreed, Mr. Speaker.

Order discharged and motion withdrawn.

RESULTS OF QUESTIONNAIRE CIRCULATED AMONG YOUNG CIVILIANS AND MEMBERS OF ARMED FORCES

Motion No. 160—**Mr. Forrestall:**

That an Order of the House do issue for a copy of the results of the questionnaire circulated among young civilians and young members of the Canadian Armed Forces during recent months.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Minister of National Defence advises that the survey referred to is still in progress and returns are not yet complete. Statistical analysis can only begin when all returns are in. It is anticipated that this will not be before April 1, 1971. In the circumstances I wonder if the hon. member would be good enough to withdraw his motion.

Mr. Forrestall: Agreed.

Order discharged and motion withdrawn.

Mr. Speaker: Shall the remaining Notices of Motions stand?

Some hon. Members: Agreed.

Inquiries of the Ministry

ORAL QUESTION PERIOD

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Labour who was here. I will await his return to the House.

Mr. Speaker: The hon. member for Nanaimo-Cowichan-The Islands.

* * *

CONSUMER AFFAIRS

INVESTIGATION OF INCREASE IN PRICE OF CRUDE OIL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Consumer and Corporate Affairs. It arises out of the announcement by two leading oil companies, Imperial Oil Company and the Hudson's Bay Oil and Gas Company, that they are raising the price of crude oil by 25 cents a barrel. Since it has been anticipated for some weeks that such an increase was to be announced, may I ask the minister if his department or the Prices and Incomes Commission has been looking into this matter? Can he give the House any report? If this matter has not been investigated, will the minister undertake to have an investigation made?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am delighted that the hon. member considers that the Prices and Incomes Commission fulfils a useful role in the economy by conducting such inquiries.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Basford: The commission has been looking at a number of fuel price increases. I am not positive that they have looked at the precise announcement to which the hon. member refers. I will determine whether that is the case.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, since the taxpayers are paying for the Prices and Incomes Commission, I thought we ought to find some work for them.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): Since representatives of the two companies in question have both stated that the increase in price is due to the greater access which has been obtained for Canadian oil into the American market, will the minister undertake a specific investigation to see whether the increased price is due to any increase in costs or whether it is due to the fact that the Canadian price is being tied arbitrarily to the price in the United States?

Mr. Basford: Mr. Speaker, I will be happy to refer that to the Prices and Incomes Commission. Of course, the general energy policy is normally the responsibility of the National Energy Board which does not report to me.

Inquiries of the Ministry

UNEMPLOYMENT INSURANCE

MEASURES TO ASSIST INELIGIBLE UNEMPLOYED

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I am sorry I caught the Minister of Labour out of position. A few days ago I asked the Prime Minister whether certain actions would be taken because of the indication that approximately 70,000 unemployed persons in Canada are not eligible for unemployment insurance. The Minister of Labour has no doubt had an opportunity to study this question fully. Has the minister conducted an investigation into the reasons for this gap? What measures does he propose to take to lessen the obvious hardship that will result in the difficult winter ahead which even that very sanguine optimist, the Minister of Finance, forecasts?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I will try to deal with all the questions raised. First of all, I think the precise figure of 77,000 was probably arrived at by subtracting the number of people eligible for unemployment insurance from those who are declared unemployed. This was in the month of November. I think the figures will be substantially reduced following the coming into effect of the seasonal benefits on December 1. What is the reason for the gap? Under the present law too many Canadians are not covered because of the fact that the present plan is not universal in scope. Many of those unemployed are not eligible for various reasons. They may be unemployed school teachers or unemployed politicians. In any event, they are not eligible for unemployment insurance. The Leader of the Opposition asked what we intend to do about this situation. We will be introducing a very progressive bill that will remove these inequalities.

Mr. Stanfield: Has a study been conducted to ascertain approximately how many of the more than 70,000 persons are ineligible for unemployment insurance because they do not qualify under existing conditions or have not worked the required amount of time this year?

Mr. Mackasey: Under the present Unemployment Insurance Act, Mr. Speaker, eligibility is fairly stringent. I am sure the Leader of the Opposition will be happy to know that under the proposed legislation unemployed persons will be eligible after a period of eight weeks. In addition to helping the bulk of the 77,000 this will also help young people entering the work force for the first time.

Mr. Stanfield: As it is evident that the minister does not intend to take substantial action this winter, does he intend to make any recommendations to close the gap that obviously exists between the Unemployment Insurance Commission and the Department of Manpower and Immigration inasmuch as it is clear that no one in the government has the specific responsibility of looking after the interests of these people?

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to ask the hon. Minister of Labour a supplementary question.

[Mr. Basford.]

As many of the 77,000 unemployed young people are ineligible for unemployment insurance benefits because they have not yet been on the labour market, can the hon. minister tell us whether he intends shortly to take action to enable these young people to live decently, in spite of the opposition expressed by the Progressive Conservative party and the New Democratic party last night in this House?

[*English*]

Mr. Mackasey: Mr. Speaker, I think the only way to remedy the defect in the present Act, which makes it virtually impossible for young people entering the work force for the first time to receive benefits, is to give speedy passage to the new legislation which will—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. It seems to me that we are now resuming the debate which raged all day yesterday.

* * *

[*Translation*]

BANKRUPTCY ACT

PRESENTATION OF AMENDING BILL

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the hon. Minister of Consumer and Corporate Affairs.

Does the hon. minister believe he will soon be able to introduce in this House a bill providing for a revision of the Bankruptcy Act as he has been promising repeatedly over several years?

[*English*]

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): I know the hon. member is very interested in this matter and I am pleased to advise him that I anticipate tabling the report at eleven o'clock on Friday morning.

[*Translation*]

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

In view of the statement made by the Minister of Justice of Quebec to the effect that he wants to fight the Mafia efficiently, does the hon. minister feel he can give the House the assurance that the new legislation will make it possible to fight the Mafia through deeds and not through mere wishes, pious wishes, as has been the case in the past with previous acts?

[*English*]

Mr. Basford: Over the last two years, since I have been minister, a great many improvements have been made in the Bankruptcy Act—

Some hon. Members: Hear, hear.

Mr. Basford: —but I am looking to the report which I shall be tabling on Friday to recommend other ways of revising the Bankruptcy Act to make it more effective in dealing with manipulation of the bankruptcy laws and fraudulent bankruptcies. I hope the report will have very useful recommendations to make on this subject.

[*Translation*]

Mr. Rondeau: May I ask another supplementary question, Mr. Speaker?

Since available figures reveal that the activities of the Mafia have increased more than fourfold over the past five years, does the minister believe his new legislation will be able to do away with that scourge?

[*English*]

Mr. Basford: I would hope that a revised Bankruptcy Act would prove more effective in dealing with the underworld, in so far as they deal in bankruptcies.

* * *

PENITENTIARIES

INCARCERATION OF YOUTHS CONVICTED OF NON-CAPITAL MURDER IN PRINCE ALBERT INSTITUTION RATHER THAN COMMON JAIL

Right Hon. J. G. Diefenbaker (Prince Albert): My question is directed to the Minister of Justice as Acting Solicitor General. It has to do with 13 youths from Calgary who, after a mass trial some weeks ago before Mr. Justice Primrose for the murder of one person, were found guilty of non-capital murder and sentenced to life imprisonment. An appeal has been launched but cannot proceed for a couple of months, and in the meantime they are being incarcerated in Prince Albert penitentiary. This is an unusual course to follow; they should be in a common jail in Alberta. Would the minister have this situation looked into? The members of the families of these young men are deeply concerned that their respective relatives should be in a penitentiary, associating in a top security institution with hardened criminals.

Hon. John N. Turner (Acting Solicitor General): I will look into that matter immediately, Mr. Speaker.

* * *

TRANSPORT

PROPOSED INCREASE IN FREIGHT RATES ON POTATOES

Hon. J. A. MacLean (Malpeque): I should like to direct a question to the Minister of Transport. Is the minister in a position to assure the House that the railway companies are not about to greatly increase freight rates on potatoes moved from the Maritime provinces to Montreal, Toronto and other major markets?

Hon. Donald C. Jamieson (Minister of Transport): I beg your pardon, Mr. Speaker, I did not follow the question. There was a bit of hubbub going on.

Mr. MacLean: I asked the minister whether he could assure the House that the railway companies are not in the process of greatly increasing freight rates on potatoes moved from the Maritime provinces to Montreal, Toronto and other major markets?

Mr. Jamieson: As the hon. member knows, I cannot personally give such an assurance. I have been advised by the railways that there is, I believe, a 4 per cent increase proposed and that this has been discussed with the various companies concerned and with the provinces concerned. I have a lengthy reply in response to my request to the railways for information on this matter, and I shall be glad to make it available to the hon. member. It may serve to clarify the situation for him.

Mr. MacLean: What action is the government going to take to compensate for the grave damage that will be suffered by the export potato industry because of the extraordinary increase in freight rates on potatoes moving to export points?

Mr. Jamieson: Here again, Mr. Speaker, I can only pass on to the House what I have been told by Canadian National, which is to the effect that part, at least, of the increase is due to a change in charges for cars. This change was not in effect before because it was not in effect in the United States, and it is necessary to keep a balance.

Since that time there has, as I understand it, been a charge in the United States and the charge in Canada is comparable. I am advised by the railways that the relative position remains the same. However, I have asked, as I have said, for a more detailed explanation. I have one explanation here now which I will be glad to send to the hon. member, but I will look into the matter further in order to get a more thorough explanation.

ATLANTIC PROVINCES—IMPLEMENTATION OF PREMIERS' RECOMMENDATIONS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of Transport. In view of the fact that the minister has referred to yet another increase in Atlantic freight rates—I think this is the fifth in the last few years—is the minister now prepared to say whether or not he is considering implementing the recommendations of the four Atlantic province premiers on Atlantic transportation?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have answered this question on previous occasions. I think it is a fact that a great many of those recommendations have already been implemented and others are in the process of being implemented. The committee involving the four Atlantic provinces and the federal government, as well, incidentally, as the province of Quebec, is still meeting on these questions and as individual ones are being studied they are being put into effect, the most recent example being the announcement that will be made in a day or two regarding an increased subsidy in terms of freight movements by truck. That was one of the recommendations. The matter is an ongoing one, but quite a few of the recommendations have already been implemented.

APPLICATION BY UNITED STATES RAILROAD TO MOVE BRITISH COLUMBIA COAL

Mr. William Skoreyko (Edmonton East): Mr. Speaker, may I ask the Minister of Transport whether he has received a telegram from the United Transportation Union in Edmonton asking him whether he has taken any steps to prevent United States railroads from transporting coal from southern Alberta and British Columbia to Roberts Bank port in Vancouver?

Inquiries of the Ministry

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, I have received the wire. At least, I am assuming it is in my office because I did see a copy of it which the hon. member was good enough to send to me. I presume reference is being made to the application now before the Canadian Transport Commission made by the Kootenay and Elk Railroad. This is a judicial proceeding now, of course, and until the findings of the CTC are made known no further action by the government is possible.

* * *

NATIONAL SECURITY

SEARCHES AND ARRESTS UNDER PUBLIC ORDER (TEMPORARY MEASURES) ACT

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Minister of Justice whether he has any information as to the number of searches and arrests, if any, which have been made by the combined police forces in Quebec since the Public Order (Temporary Measures) Act came into effect almost two weeks ago.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I cannot add to the figures that I have given the House, but I can give the most recent figures, though I cannot segregate them as between the original regulations under the War Measures Act and the Public Order (Temporary Measures) Act which is now in force. As of 1.30 two days ago, December 14, the number arrested was 456; rearrested, 2; released, 408; detained, 46. There is a discrepancy in the figures which can be explained by the fact that there were a few released on bail.

Mr. Lewis: Would the minister be good enough to undertake to obtain a segregration of these figures so that the House may know, when he gets a chance to inform us tomorrow or the next day, how many of these arrests have taken place since the Public Order (Temporary Measures) Act came into force? Would the minister also find out whether any searchers have been made under the new legislation since it came into force?

* * *

AIR CANADA

CREW TRAINING PROGRAM FOR 747 PLANES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, would the Minister of Transport inquire from Air Canada and advise the House whether Air Canada has decided to cancel its 747 crew training program in this country and, if so, whether the reason is the level of landing charges made by his department as well as the high level of tax on fuel in Canada, which means that the program will now be carried out in the United States?

Hon. Donald C. Jamieson (Minister of Transport): I will be glad to look into this matter, Mr. Speaker. I find the second part of the question a little incredible, but I will try to find out for the hon. member.

Mr. Lambert (Edmonton West): That is why I asked the question.

[Mr. Skoreyko.]

WATER RESOURCES

PEACE, SLAVE AND MACKENZIE RIVERS—ALLOCATION OF USE—APPLICATION UNDER NAVIGABLE WATERS PROTECTION ACT RESPECTING POWER DAMS ON PEACE RIVER

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Acting Minister of Indian Affairs and Northern Development. Following the meetings at Yellowknife, and in light of the immediate requirement of coming to decisions regarding the use of the waters in the Peace, Slave and Mackenzie River systems, would the minister take it upon himself to convene a meeting with the provinces of Alberta, Saskatchewan and British Columbia to decide upon the allocation of use of those waters as between power production and transportation to the Arctic?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I would be happy to bring the hon. member's reresentations to the attention of the minister.

Mr. Baldwin: Mr. Speaker, I should like to address a supplementary question to the Minister of Transport. In light of the statement that the province of Alberta proposes to place two large power dams on the Peace River, has there been any application made to the minister under the provisions of the Navigable Waters Protection Act? If not, will the minister make certain that there is not a repetition of what took place in regard to the Bennett dam, when no application was made under that Act, in order to protect people living downriver?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, with the hon. member's permission I will take that question as notice.

FEDERAL-PROVINCIAL TASK FORCE STUDY OF PEACE-ATHABASCA DELTA

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I have a supplementary question for the minister of fisheries. Could he inform the House when he expects the federal-provincial task force to study the Peace-Athabasca delta problem, and when does the minister expect a report on this study?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, the task force will begin operation early in the new year and I hope we will have a preliminary report before the end of 1971.

Mr. Yewchuk: I wonder whether the minister could indicate if included in this study will be the question of power potential as well as pollution of Lake Athabasca?

Mr. Davis: The main concern is the environmental one, but power production will be another matter for consideration.

AIR TRANSPORT

USE OF STOL AIRCRAFT TO LINK REGIONAL AIRPORTS—NORDAIR OTTAWA-HAMILTON FLIGHT APPLICATION

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, I have a question for the Minister of Transport. Has the Minister of Transport made any decision on the probable use of short take-off and landing aircraft, sometimes known as STOL aircraft, for linking up regional airports? Second, is it possible that we will soon hear whether the Nordair application in regard to flights between Ottawa and Mount Hope has been granted?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, with regard to the question of short take-off and landing aircraft, I can assure the hon. member that I am meeting with the industry, I believe within the next two days, because the industry has some proposals to make regarding STOL aircraft. On the matter of additional access to Ottawa from Hamilton, I am expecting a decision within a day or two and I have every reason to believe it will be favourable.

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[*Translation*]

CANADIAN CONSTITUTION

CONSULTATION BETWEEN OTTAWA AND QUEBEC RESPECTING SECTION 80

Mr. Henry Latulippe (Compton): Mr. Speaker, I have a question I wish to direct to the Prime Minister.

Following a decision made by the government of Quebec to introduce a bill to amend section 80 of the Canadian Constitution purporting to do away with the 17 "protected" constituencies without the agreement of the majority of members representing such electoral constituencies, I want to ask this question: has the government of Quebec consulted with the federal government on this issue? If so, has Ottawa agreed in principle that such an amendment be passed?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, with regard to the second part of the question, I can give a negative answer. There was no consultation and so there was no agreement from the central government.

The first part of the question deals with a constitutional and legal matter. Personally, I would think that this is an amendment to the internal constitution of the province of Quebec and that, in accordance with the first paragraph of section 92 of the Constitution, that province would be justified in making this amendment without the consent of the federal government or of the British government.

* * *

[*English*]

AIR TRANSPORT

FARES BASED ON CANADIAN DOLLAR PEGGED AT 92 CENTS—PAYMENT OF COMPENSATION FOR OVERCHARGING

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Now that the overcharging on Canadian fares for international travel has been removed by government involvement in the matter, will he follow up with the necessary action to ensure that compensation will be made available to Canadian consumers who were overcharged by some $4.5 million?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, that is a matter in respect of which I will do what I did last time—refer it to my colleague, the Minister of Transport, who I am sure will be delighted to look into the problem.

TRANSPORT

PROPOSED INCREASE IN FREIGHT RATES ON POTATOES

Hon. Hugh John Flemming (Carleton-Charlotte): Mr. Speaker, my question is for the Minister of Transport and I should like to revert to the question of potatoes. Has the minister been advised that the very existence of the potato industry may be threatened, especially in New Brunswick and Prince Edward Island, by the serious increase not only in transportation rates but also in handling charges, demurrage charges and other associated expenses in getting potatoes to the export market? Will he also examine the situation with a view to attempting to find some means to avert the serious consequences to this industry and our export trade in general which these increased charges may bring about?

Mr. Speaker: The hon. member has submitted his question in the form of a representation and he has to assume that it will be noted by the minister.

FREIGHT RATE LEVEL IN PRAIRIE PROVINCES—ACTION TO REMOVE DISCRIMINATION

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, this appears to be a busy day for the Minister of Transport, and I too have a question for him. On November 4 I inquired of the minister what action the government was taking to rectify the problem of discriminatory high freight rates prevailing in western Canada. The minister replied that he had initiated talks with premiers and officials of the Prairie provinces with a view to obtaining their recommendations to improve this situation. Can the minister now advise the House on the progress, if any, that has been made toward solving this very serious problem?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I am advised that as a result of the type of consultation to which I referred in my earlier reply to the hon. member there have been some satisfactory changes or improvements in freight rates in regard, for example, to potash. On the broader question, as a result of representations made by the western provinces a group from my department is proceeding to western Canada as early as we can find an appropriate date convenient to representatives there, and I would assume discussions will continue at that level immediately following the beginning of the new year.

Inquiries of the Ministry

CANADIAN NATIONAL RAILWAYS

RETIRED EMPLOYEES' PENSIONS—ACTION TO IMPLEMENT COMMITTEE RECOMMENDATION FOR INCREASE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport which is supplementary to a question and answer of last Friday. In view of the fact that Canadian National Railways has refused to consider any negotiations on pension matters with the result that the question is not now on the bargaining table, would he like to revise his answer of last Friday and assure the House that the government will urge the CNR to implement the recommendation agreed to unanimously by this House which called for increases in the pensions of retired CNR employees?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the hon. gentleman's intelligence service is a lot faster than mine. I have not been advised personally that this has occurred, but I shall be glad to look into it to see what the situation is now and advise my hon. friend later.

Mr. John L. Skoberg (Moose Jaw): I have a supplementary question for the Minister of Labour. In order to avoid labour strife in the railway movement I wonder whether the Minister of Labour might not lend a hand to the Minister of Transport in order to bring the CNR to its senses in regard—

Mr. Speaker: Order, please. The hon. Leader of the Opposition.

Mr. Skoberg: I have a supplementary question.

Mr. Speaker: Order, please. The hon. member has asked his supplementary question. He cannot ask a further supplementary. The hon. Leader of the Opposition.

Mr. Skoberg: Mr. Speaker, on a question of privilege—

Mr. Speaker: I apologize to the Leader of the Opposition but I believe the hon. member for Moose Jaw is rising on a question of privilege.

Mr. Skoberg: Mr. Speaker, I appreciate being finally recognized after three weeks. At the same time I am wondering whether, in view of the fact Your Honour has allowed other hon. members on a number of occasions to rephrase their questions, I may be given the same consideration?

Mr. Speaker: The hon. Leader of the Opposition.

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POWER

PROPOSED FLOODING OF SKAGIT RIVER VALLEY—REQUEST FOR STATEMENT BY MINISTER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Fisheries and Forestry whether he is now in a position to indicate to the House the position his government is taking with regard to the possible flooding of the Skagit Valley and, if not, will he assure the House that he will make a statement in the House before we recess for Christmas?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, I have made a certain recommendation to the government and action is being taken on it at the present time. I doubt, however, whether it will be possible to make a statement to the House before the recess.

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INQUIRY OF THE MINISTRY

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I have a question for the Prime Minister. In view of the fact that the Leader of the Opposition, the Prime Minister's Parliamentary Secretary and at least one member of the cabinet find it necessary to moonlight at the National Arts Centre's Nutcracker Suite ballet, will he give consideration to the early implementation of some of the recommendations of the Beaupré Commission report?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as far as the government is concerned we hand this problem back to the Members of Parliament, and as far as I am concerned they can go and jump in the "Swan Lake".

Some hon. Members: Oh, oh!

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NATIONAL SECURITY

IDENTITY OF QUEBEC TERRORISTS TRAINING IN PALESTINE

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, if I can get government members out of Le Lac des Cygnes for a moment I should like to pose a question to the Acting Solicitor General. Can he tell the House whether the RCMP have established the identity of the two Quebec terrorists who have been training with the Feydayins in Palestine?

Hon. John N. Turner (Acting Solicitor General): Mr. Speaker, I should like to congratulate the hon. member for the very civilized way in which he put his question. It has already been publicly reported that two self-proclaimed Quebec terrorists have been undergoing commando or guerrilla training by an underground military organization in the Middle East. To the best of my knowledge these people call themselves Selim—S-e-l-i-m—or Salim—S-a-l-i-m.

Some hon. Members: Oh, oh!

Mr. Nesbitt: Now that the minister has been able to obtain some information from the RCMP in this regard, can he tell the House whether he has any indication of any other countries, other than those in the Middle East, in which terrorists have been trained?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I do not think it would be in the public interest to speculate any further at this moment on this matter.

HEALTH

SAFETY DEVICES TO CONTROL EXHAUST EMISSIONS FROM PROPOSED NUCLEAR REACTORS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of National Health and Welfare. Some weeks ago I asked the minister whether Canada had sought any assurance in respect of safety from the United States agencies which are planning to construct at least 20 or perhaps more nuclear generating plants along the shores of the Great Lakes during the 1970's.

Hon. John C. Munro (Minister of National Health and Welfare): Not that I am aware of, Mr. Speaker.

Mr. Forrestall: I wonder if the government and the minister would see fit, in view of the alarming studies that are coming to light now as a result of tests made on nuclear generating plants, to find some method of communicating to the United States authorities Canada's concern about the dangers of smoke and exhaust emissions from these nuclear generating plants?

Mr. Munro: I will be pleased to take that suggestion under advisement.

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EXTERNAL AFFAIRS

SEIZURE OF CANADIAN FISHING VESSEL BY UNITED STATES AUTHORITIES

Mr. H. W. Danforth (Kent-Essex): I should like to direct my question to the Secretary of State for External Affairs. Is he in a position to indicate briefly now or perhaps by a statement on motions the circumstances regarding the seizure yesterday by United States authorities on Lake Erie of a Canadian fishing tug and crew, and whether representations will be made on their behalf?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker. The Canadian consulate in Cleveland has been following the situation closely. Immediately on learning yesterday of the arrest by Ohio state wildlife authorities of the Canadian tug *The Liddle Brothers* and its Canadian master and crew the consulate got in touch with Captain Liddle to ensure that he would have the services of legal counsel when the case came into court in Lorain, Ohio, today. Action was also taken to arrange for a consular officer to be present as an observer and to establish that while awaiting trial the Canadian fishermen are released on bail and allowed to stay aboard their vessel.

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CANADIAN NATIONAL RAILWAYS

MINIMUM WAGES—SETTLEMENT OF DISPUTE WITH CHATEAU LAURIER HOTEL EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Minister of Labour whether there are any developments he can report to the House con-

cerning the case of the Chateau Laurier and other Canadian National hotels with regard to the payment of minimum wages?

Hon. Bryce Mackasey (Minister of Labour): I am pleased to announce that a settlement was reached about an hour ago between the Chateau Laurier and the Canadian Brotherhood of Railway, Transport and General Workers. I hope the settlement will include above-minimum wages. Because collective bargaining has achieved liveable wages does not change my opinion that this Crown corporation should abide by the Canada Labour (Standards) Code.

TRANSFER OF AIRBRAKE REPAIRING FROM MONCTON TO MONTREAL

Mr. Guy Crossman (Westmorland-Kent): My question is directed to the Minister of Transport. Would the minister ask the CNR to reconsider its decision to transfer airbrake valve repair from Moncton to Montreal, which will mean 30 jobs less in the Moncton shops?

Hon. Donald C. Jamieson (Minister of Transport): I will be very glad to make that representation.

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EXTERNAL AFFAIRS

STUDY OF WEST GERMAN ECONOMIC POLICIES BY MINISTER ON TRIP TO EUROPE

Mr. Lloyd R. Crouse (South Shore): I wish to direct my question to the Secretary of State for External Affairs. In view of the fact that West Germany has a severe shortage of workers today while Canada has officially some 500,000 unemployed, did the Secretary of State for External Affairs have an opportunity to study the policies in effect at present in West Germany while he was in Europe recently in the hope that some of them may be implemented in Canada to ease our unemployment situation?

Hon. Mitchell Sharp (Secretary of State for External Affairs): While I was in Germany I only had the opportunity to visit our base at Lahr. I did not have an opportunity to speak to any ministers about this particular problem.

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REGIONAL ECONOMIC EXPANSION

SEMINAR ON DEVELOPMENT OF MARKETS IN UNITED STATES FOR ATLANTIC PROVINCES PRODUCTS

Mr. Robert C. Coates (Cumberland-Colchester-Hants): My question is for the Minister of Regional Economic Expansion. Is the minister now in a position to inform the House if his officials have met or are willing to meet officials of the Department of Industry, Trade and Commerce for the purpose of bringing about a business seminar in the Atlantic provinces to assist in the development

of expanding markets for Atlantic provinces' businessmen in the United States?

Hon. Jean Marchand (Minister of Regional Economic Expansion): I will inquire about the situation. I know that contacts have been made but I did not receive any report on the matter.

FEDERAL COMMITMENT RESPECTING CONSTRUCTION OF SUPERPORT AT LORNEVILLE, N.B.

Mr. J. P. Nowlan (Annapolis Valley): I have a supplementary question for the minister. Has he been able to check with his officials to find out if there has been a federal commitment to the Lorneville projected port in New Brunswick in view of the question I asked on Monday?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): There was no commitment, Mr. Speaker.

[*English*]

Mr. Nowlan: Mr. Speaker, I did not understand the translation. Would the minister repeat his answer, please?

Mr. Marchand (Langelier): My answer was no, there is no commitment at all.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I gave the minister notice before two o'clock of my question in the same connection. Will the minister be announcing before Christmas the Crown corporation in New Brunswick that will be in charge of this development and, if so, when will he announce it before Christmas?

[*Translation*]

Mr. Marchand (Langelier): I do not intend to make any announcement before Christmas, Mr. Speaker.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

ALLEGED ATTEMPT BY POLICE TO PLANT DRUGS— REQUEST FOR STATEMENT

Mr. John L. Skoberg (Moose Jaw): My question is for the Minister of Justice in his capacity as Acting Solicitor General. In view of the indication on the CBC feature program "For Your Information" last night on channel 4 in Moose Jaw that city police officers approached a young person to plant drugs in a local residence, and in view of the fact that the RCMP were brought into this investigation and the over-all operation, would the minister say whether or not he would give a full report to the House on the planting of drugs and the entrapment of individuals?

Hon. John N. Turner (Acting Solicitor General): I am not prepared at the moment to accept either the preamble or the substance of the question but I will look into it to see whether it merits a report to the House.

[Mr. Coates.]

PENITENTIARIES

TRANSFER OF CERTAIN INMATES FROM PRINCE ALBERT AND STONY MOUNTAIN TO BRITISH COLUMBIA

Hon. John N. Turner (Acting Solicitor General): While I have the floor, with your permission, Mr. Speaker, I wonder whether I can reply briefly to two questions put to me, one by the hon. member for Skeena in which he asked me whether I knew in my capacity as Acting Solicitor General whether 20 or 25 inmates of the Saskatchewan penitentiary have been moved to the penitentiary in British Columbia. On December 10, 1970, 44 inmates from the Saskatchewan and Manitoba penitentiaries were transferred to institutions in British Columbia. These were normal transfers of selected inmates deemed suitable by classification boards for transfer to the following institutions: William Head institution, Mountain prison, Matsqui institution, and British Columbia penitentiary. They were selected for transfer—

Mr. Speaker: Order, please. I am sorry to interrupt the minister but the hon. member for Cape Breton-East Richmond wishes to rise on a question of privilege.

Mr. MacInnis: Mr. Speaker, I rise on a point of order and would refer to the precedent established by your own ruling on November 19, 1970, involving the Secretary of State who attempted at that time to answer questions other than the one directly put to him. Mr. Speaker ruled that this was not proper at that time.

Mr. Speaker: Before I recognize the hon. member for Moose Jaw, may I say that the point raised by the hon. member for Cape Breton-East Richmond is well taken. I have always thought that it does complicate the question period when a minister replying to a question takes the opportunity of having the floor to reply to a question which has been asked previously. In this instance the hon. member for Moose Jaw has a supplementary question. The practice resorted to by the minister does make for a rather disorderly question period.

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ADMINISTRATION OF JUSTICE

ALLEGED ATTEMPT BY POLICE TO PLANT DRUGS— REQUEST FOR STATEMENT

Mr. John L. Skoberg (Moose Jaw): In view of the fact that the CBC reporter had placed a tape recorder on the young man who was asked to plant the drugs, would the Minister of Justice say whether he would immediately obtain a copy of the tape from the television station for his perusal and then make a report to the House?

Hon. John N. Turner (Acting Solicitor General): I will look into all the circumstances of the case. Perhaps at a later date, Mr. Speaker, you can give me the floor to continue my reply to the hon. member for Skeena.

Mr. Speaker: If the minister wishes to pursue the statement he was making a moment ago, the Chair will recognize him at present.

PENITENTIARIES

TRANSFER OF CERTAIN INMATES FROM PRINCE ALBERT AND STONY MOUNTAIN TO BRITISH COLUMBIA

Hon. John N. Turner (Acting Solicitor General): These inmates were selected for transfer because, in the opinion of their classification officers, the inmates concerned would benefit from the training programs available at these institutions.

Perhaps at a later date I may reply to another question asked me by the hon. member for Fraser Valley West. At present I only wish to put on the record that I am ready to answer it now.

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ROYAL CANADIAN MOUNTED POLICE

NATURE OF RAIDS CARRIED OUT IN TORONTO

Mr. S. Perry Ryan (Spadina): My question is also for the Minister of Justice in the absence of the Solicitor General. Can the minister inform the House whether the raids carried out by the RCMP last weekend in Toronto were the result of regular investigations or, if not, were they special searches carried out in conjunction with the FBI?

Hon. John N. Turner (Acting Solicitor General): I had better take that under advisement, Mr. Speaker, to ascertain just what raids the hon. member is talking about.

Mr. Ryan: Mr. Speaker, when the Minister of Justice is at it would he also find out if these raids are part of regular investigations against organized crime in Canada?

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TRANSPORT

TORONTO—USE OF RAILWAY LINES BY METRO TORONTO FOR COMMUTER TRAFFIC

Mr. Walter Deakon (High Park): Mr. Speaker, I would like to direct this question to the Minister of Transport. Would the minister exert his influence with the Canadian Pacific and Canadian National Railways to have them permit metro Toronto the use of railway lines for commuter passenger traffic?

Mr. Speaker: Order. It seems to me that the hon. member is making a representation to the minister and he will have to assume the minister will follow it up.

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CONSUMER AFFAIRS

INCREASED GASOLINE AND DIESEL FUEL RETAIL PRICES—INVESTIGATION OF POSSIBILITY OF COLLUSION

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to direct a question to the Minister of Consumer and Corporate Affairs. In view of the increased prices for gasoline and diesel fuel at the retail level in western Canada in recent months, can the minister inform the

House if his department or the Combines Investigation Branch is investigating whether there was collusion among the oil companies with regard to these recent price increases?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, the department and the government are taking some satisfaction from the fact that the consumer price index published yesterday remained the same as for the previous month and is running at record low levels. However, with regard to the particular prices the hon. member mentions, the Prices and Incomes Commission is investigating certain price increases, as I indicated to his leader a little earlier in the question period, and I will discuss with the commission whether it is examining these particular price increases.

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DRUGS

PROPOSED INTERNATIONAL PROTOCOL—AUTHORITY OF CANADIAN DELEGATES TO CONVENTION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. In view of the fact that the 1961 United Nations Convention on Narcotic Drugs contains a warning to signatory countries against introducing qualifications to the protocol, since this would essentially nullify the original intent of the protocol, will the minister now specify how delegates to the January convention in Geneva can go to that meeting, without any intention of making commitments of a binding nature, unless it is agreed they are not to sign the protocol?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I thank the hon. member for giving me notice of this question. I would advise him that what is suggested here is an entirely new protocol on psychotropic substances which does not relate, in the sense that the hon. member is talking about, to the previous protocol.

GOVERNMENT ORDERS

STATISTICS ACT

ESTABLISHMENT OF STATISTICS CANADA, PROVISIONS FOR ADMINISTRATION, ETC.

The House resumed, from Monday, December 14, consideration of the motion of Mr. MacEachen (for the Minister of Industry, Trade and Commerce) that Bill S-2, respecting statistics of Canada, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, when I concluded my remarks on Monday evening concerning Bill S-2, I had dealt briefly with some of the

history involved in gathering statistics in Canada. I had pointed out that there was now a need for new types of data gathering in Canada, and that new methods which have been developed will make the gathering of statistics much easier. I also pointed out that greater federal-provincial co-operation would ensue as a result of the bill that we have before us at the present time.

I want to go on now to say something about the provisions in the bill with respect to secrecy in the gathering of statistics in Canada. Perhaps the most serious responsibility of the Dominion Bureau of Statistics over the years has been the obligation of secrecy. Elaborate precautions have always been taken, and must continue to be taken to protect the privacy of the individual. However, after a most careful study of this provision with respect to secrecy, the Dominion Statistician has suggested that there are certain ways in which existing secrecy provisions are unnecessarily rigid, and their very rigidity places an unfair and unnecessary burden upon Canadians. Let me give you an example.

The existing act prohibits disclosure of any information from an individual return, even if it cannot be identified with a particular person or business. This rigidity really does not benefit anyone. The new act that we are proposing suggests that identifiability be made the basis for release or non-release of information. This would bring Canadian practice in line with procedures used around the world.

Another provision in the bill would require that information should not acquire a greater degree of secrecy than it had at its source simply because it is passed on to Statistics Canada, and so a specific provision has been made for the release by Statistics Canada of such information if the originating agencies are free under their legislation to release it, and further that they agree to the release by Statistics Canada of that information.

May I also point out that the bill provides that any return made to Statistics Canada, and any copies thereof in possession of the respondent, are not subject to discovery or production in any proceedings in law except proceedings that take place under the Statistics Act itself and relate specifically to the administration of the act. This provision will assist the bureau in obtaining complete and accurate information from respondents, and assure them that even their file copies of that information will be protected and remain secret.

Like all members of this House, Mr. Speaker, I share your concern with respect to this matter of secrecy, with respect to the privacy of Canadians as a fundamental right, and that government should never be in a position to make public personal details of an individual's life. I would like to underline that this principle of confidentiality of returns has been a bedrock principle of the Statistics Act since its passage in 1918, and it remains the bedrock principle of the bill before the House today. However, there are some changes in this regard that are worth noting.

The bill proposes giving the Chief Statistician access to income tax returns of unincorporated businesses, organizations and individuals. Under the Corporations and Labour Unions Returns Act the Dominion Statistician now has access to corporate income tax returns for statistical purposes. The proposal before you today in this bill, if enacted, would give Statistics Canada access to the returns of individuals and small businesses that are sent in each year to the Department of National Revenue.

This would pave the way for developing new or improved statistics on consumers, such as income, finances and population movement, without increasing the reporting burden on the public. There is an urgent need for such information shared by government departments responsible for regional economic expansion, poverty programs, planning of all kinds, and consumer affairs.

Hon. members may wish to note that the DBS already has the power to secure this information. It can secure it directly from small businesses and individuals. It can obtain information concerning virtually all matters reported under the income tax law. However, under the existing Statistics Act, Statistics Canada would have to run a separate survey and secure that information itself. The new provision that we are suggesting would mean that these statistics could be compiled directly from National Revenue data by Statistics Canada. The object of this reform, as the object of other changes being made in the act, is simplicity. Every form that is eliminated is a saving of the taxpayer's patience, his money and his time.

• (3:10 p.m.)

For example, right away access to tax returns of unincorporated businesses would relieve 10,000 businesses of certain reports they now fill out. By the time the changes are fully implemented, 80,000 other firms will have the benefit of greatly reduced reporting burdens. I think this is an important and valuable reform.

I want to say something about the name, the "Dominion Bureau of Statistics". The name of a department or organization is an important indication of the function and even attitude of that group. In this light, we are proposing the name "Statistics Canada". En Français, "Statistique Canada", un nom simple et moderne, en Anglais ou Français, un nom presque bilingue. In just two words, what it does and where it does it. It is an efficient, definite title. I think it will make a great improvement in the name we call our statistics agency.

I would like now to refer to some of the other changes in the bill, some more routine. I think that in doing so and in reference to the bill as a whole, it is important to point out that most of the changes proposed are in relation to the techniques to be used for collecting information and do not empower "Statistics Canada" to collect information previously outside the jurisdiction of DBS.

In view of the rapid changes in our society, it is proposed that a national census of population be taken every five years, the first being in June, 1971. Subsequently, population figures broken down into electoral districts would be available. In addition, it is intended that there should be a population census every fifth year thereafter.

Another change of a minor nature but of some importance relates to information from public institutions. The present act exempts from secrecy all operational information about hospitals, universities and similar non-commercial institutions other than financial information. It is proposed to alter the act to permit disclosure of financial information in view of the widespread interest in these publicly supported institutions. I think this is a valuable change. These institutions are public and this information on finances will be of value to people who use this kind of statistic.

In conclusion, Mr. Speaker, I want to say that the bill before you aims at providing a better service both for the governments involved and the public. The public will fill out fewer forms and still be assured of their privacy. Although "Statistics Canada" will have access to income tax returns, secrecy standards will be maintained at a high level. Because of diminished duplication and increased co-operation between the federal and provincial governments, statistics will be provided more rapidly with greater accuracy and at lower cost. Some provisions in the act that have proved in the past to be too restrictive have been adjusted while others have been strengthened. The Dominion Bureau of Statistics has been a useful vehicle. As with the family car that has served us well, we have a vague feeling of ingratitude when we have to trade it in but then we greet the new one with the expectation that it is better equipped to meet today's needs. It is in this spirit that we welcome "Statistics Canada".

I commend this legislation to the attention of hon. members and look forward to receiving the benefit of their views on this important act.

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, I am afraid that I cannot share the minister's closing sentiment of welcoming this piece of legislation. There are four features upon which I wish to comment. The first is the penalty feature of the bill; the second is the burden that returns of statistics imposes on business generally; the third is the need to protect the privacy of the individual, the secrecy features on which the Parliamentary Secretary has placed some emphasis, and the fourth is the increased cost of maintaining the statistics branch.

Before dealing with these four matters, however, I should like to say something about what seems to be one of the chief reasons for bringing in this bill: that is, to abolish the titles, Dominion Bureau of Statistics and Dominion Statistician and to substitute the term "Statistics Canada". I can see no good reason for this. It seems to be only a continuation of an attack which has been going on for some years on what we might call traditional titles, particularly those that use the term "Dominion". This is an honourable term and one which in this case has attained a particular status in the eyes of the public. I think it should be maintained. The Dominion Bureau of Statistics is generally referred to as "DBS" and this term is understood by everyone in the country. "Statistics Canada" would be shortened to "SC" which would not mean anything to most people. Those of us who come from British Columbia and Alberta might think that it stood for Social Credit. The Parliamentary Secretary will understand this, as will the Minister of Consumer and Corporate Affairs (Mr. Basford), I am sure, who is smiling.

People who are used to saying "Dominion Bureau of Statistics" or "DBS" will find the term "Statistics Canada" rather awkward. I submit it is better to retain the accustomed term and I hope this particular provision will be dropped when the matter is considered in committee. I know that even some government members have doubts about this matter because a four year transitional period is provided. But I, personally, hope that the title "Dominion Bureau of Statistics" will continue indefinitely.

Now, I wish to deal with these other matters, Mr. Speaker, the first being the penalty provision. Fines have been increased and the bill provides that refusal or neglect, just simple neglect to answer any questions or to fill in any returns, results in a fine or imprisonment or both. In view of the fact that the bill lays down that the leaving of the notice at the house of the individual concerned or delivering it by mail to his house or office is sufficient to impose an obligation on he individual or company concerned, I think this is a doubtful proposition. At the present time, as everyone in the House knows, you can never be sure whether the letter you mail will arrive at its destination. You do not know how soon it will get there. In view of the difficulties we have experienced with mail deliveries, I think the proposal to increase fines for neglecting to fill in some of these returns is a very doubtful one. When the bill comes before the committee, the penalty features of it will need be examined.

• (3:20 p.m.)

The next matter I wish to refer to is the constantly increasing multitude of forms and returns which businesses, and particularly small businesses, are required to file. I have received complaints about this matter for years. I have learned that some comparatively small businesses employ a man who does practically nothing except see that these numerous returns are filed. The Parliamentary Secretary made a good deal of the fact that he hopes to reduce the number of these returns. I hope that can be done. The tendency for years past has been in the opposite direction. I am afraid that unless the number of returns can be reduced, there will be a tendency for more and more information to be required for more and more purposes. In many cases those who fill out these returns are quite convinced that the information they are required to give is useless and serves no practical purpose. This aspect will also need to be considered. We shall need indications that are more definite than any we have had so far to show what means are to be instituted to prevent the continuing increase in the number of forms and returns which businesses, and especially small businesses, have to file.

The next matter I wish to raise is the necessity of protecting the privacy of returns. In other words, I am about to deal with the secrecy feature of the returns. One provision of this bill would allow access to individual income tax returns. That has not been possible before.

There is undoubtedly a considerable danger that the secrecy of those returns will be impaired by that access which is to be granted by the bill. Despite existing provisions for punishment of those who give out such information without authorization, a certain amount of leakage of such information is perhaps almost inevitable. Therefore, making an individual's income tax return available to Dominion Bureau of Statistics personnel will, I think, bring with it a very considerable danger. The danger is that there may be a breach of the secrecy to which an individual is entitled so far as his own private affairs and private business are concerned. It is said that this change is being made so that it will be unnecessary for the small businessman to fill in the many returns he has had to fill in in the past. I hope that proves to be the case. As I said before, this certainly must be looked into and corrected. I am very much afraid that any advantage which might be secured would be more than offset by the danger of the leakage of such information. This is a matter about which I think the committee will need to be reassured.

The bill also provides for the exchange of statistical information with the provinces, and this, again, is justified on the basis that it may reduce the number of returns, that it will prevent overlapping, and that it will lead to economies. I hope that will be the case. I say again that in such provision there is inherent the danger that there will be a leakage of information which is not justified. The provision presents a danger with regard to the secrecy of information and impinges on the privacy of individuals. It is a dangerous provision and is one more matter which I think needs be looked at very carefully.

Finally, Mr. Speaker, there is the matter of the cost of gathering statistics to be considered. This cost has been increasing constantly at a rapid rate. I am afraid this will continue. One provision of the bill calls for a census every five years, instead of every ten years, as is the case now. It is true that in the Prairie provinces of western Canada there has been a census every five years instead of the regular decennial census. If the bill passes, there is to be a nation-wide census every five years. There will be a very considerable increase in cost in this area alone. In addition, the constantly increasing demand for more statistical information on the part of all sorts of departments of government is likely to lead to greater and greater costs so far as the gathering of statistics is concerned. It seems to me that we need to sift pretty thoroughly all the information which it is said is being required at present, and all the numerous forms and returns which people are being asked to submit. We should eliminate a considerable number of them.

In conclusion, Mr. Speaker, may I express the hope that the matters I have mentioned will be dealt with fully when the bill is given committee study.

Mr. Max Saltsman (Waterloo): Mr. Speaker, although few will deny the importance of statistics—after all, we use them on both sides of the House for our own purposes—there is a growing doubt whether our present method of compiling statistics is really serving the needs and purposes of our present day society. May I point out some of the difficulties which I think exist in our system, how this bill proposes to deal with some of them and the extent to which it does not meet some of these purposes.

First of all, the whole system is much too secret. Second, it does not reflect any real human condition. Statistics often bear no relation to how people feel about certain things or to the advantages or benefits people derive from certain actions. Third, much of the information available is not related to the kind of information that is needed by those who are active in politics and by the public generally for the purpose of political decision making.

Let us look at the matter of secrecy. The bill proposes to touch on one of the sacred aspects of our system, the income tax return, and allow information compiled pursuant to the Income Tax Act to be made available to the Dominion Bureau of Statistics. Although it is said that such information will be confidential within that bureau, this really is not good enough. A provision such as that will not meet the kind of situation we face. For example, many researchers who need access to information are not able to obtain it as a result of the secrecy surrounding much of the information collected by DBS. More important than the researchers is the public.

There is a growing feeling that many of the things we once thought should be secret ought no longer to be secret. We make a great fetish about secrecy, yet we are becoming an open society. We know how well other members of the society are doing financially, or in other ways. That remark applies fairly obviously to Members of Parliament. Many of the affairs, especially the financial affairs, of Members of Parliament are well known and hotly debated by the public. That is the way it should be. No one will argue that members of Parliament should raise their salaries and give themselves other benefits in secret. The public should have this information. No one will seriously suggest that salary increases for people in the public service should be made in secret. Public servants, firemen, policemen and millions of wage earners in this country negotiate openly between labour and management. The results of the negotiations are published in the newspapers, and are followed closely by the public. Everyone knows about negotiations with hockey players.

• (3:30 p.m.)

The public is becoming increasingly aware of what is happening in our society with respect to all occupations. Where does the question of secrecy arise? It arises in the minority of cases, not the majority. The financial affairs of a very few people in our society are hidden from the public gaze. The public should have information about some areas in order to make political decisions based on that information.

I wish to explain my earlier remark that the collection of statistics does not reflect the human condition. Many people have the view that it is only necessary to collect statistics for specific purposes, such as making decisions with regards to the market. By that I mean cold facts regarding the amount of investment to be made or pro-

jections with regard to machinery and other items. Contrary to the belief that statistics serve only the purposes of government, statistics are increasingly benefiting the business community. The greatest pressure for increasing statistical information is from the business community. They require this information in order to make better and more farsighted decisions.

No indication is given as to the actual cost of goods. Figures are quoted for labour, overhead and equipment. Very little is said about the pollution caused by the production of goods, the cost to the public and the utility standard. I recognized the fact that it may be difficult to provide this information to the public, but that does not make it less desirable. It certainly would not be impossible. The gross national product is no longer a sure indicator of the progress being made by a society. What do we gain if the gross national product increases but in the process we create an unequal distribution of income, disparities between one part of the country and another and if the air and rivers of our environment are polluted? If this happens, is it necessary to increase the gross national product? These figures are no longer adequate for today's society. In addition to the gross national product, there must be other indicators.

I am not suggesting that the statistics presently being collected should be discontinued. They are useful. However, they must be read in conjunction with another statistical index which at the present time is not available. When the Statistics Act is being changed after 15 years, such a provision should have been included. The bill does not deal with this matter.

Statistics do not tell the whole story. One of the great shortcomings is that they do not consider the great contribution of women who choose to work at home instead of in the business world. For all practical purposes, these women just do not count from a statistical point of view. The contribution which they make to their families and the welfare of their children is not reflected in any index because they do not contribute to the gross national product. Although there may not be a practical need for this kind of statistical information, there is a great emotional and psychological need for this information in our society. It should not be argued that only those women engaged in a commercial undertaking are contributing to the family or to society. For many years women's organizations have spoken most eloquently of the need for including in a statistical index the contribution made by homemakers to the national economy.

Many statistics at our disposal are inadequate and unrelated to political decision making, both from the point of view of the politicians and the voters of this country. During the discussions on the white paper on taxation, many arguments were made regarding the comparison between taxes in the United States and Canada. To my knowledge, the only figures used in making this comparison were the tax rates and base tax at certain levels. This was very misleading. It did not take into account the improved social benefits in Canada which are provided through our tax system. Nor did it take into account the fact that Canadians have greater security and more safety. In order to provide these benefits, we have had to spend more money to improve our environment. We have shown a greater concern with regard to redistributing income in order to deal with the core problems of poverty and discontent.

However, as we have pointed out on many occasions, not enough is being done. At least Canada has made more of an attempt to do this than other countries. The result is a safer and happier environment than in other countries. This situation is not reflected in the statistics. All that is shown is a cold calculation of one rate of tax against another rate of tax. This is a totally inadequate comparison. Instead of stark taxation tables, Canadians are more interested in their quality of life, the amenities and securities which society provides. That is one area.

• (3:40 p.m.)

Again, when we deal with the question of unemployment, the unemployment figures, aside from whether they are measured directly or on a seasonally adjusted basis, are misleading because they understate the number of those at work, thus minimizing the seriousness of the problem. This is perhaps not a matter of so much concern to us when there is full employment, but it is certainly a matter of concern when a serious degree of unemployment is understated in the statistics. This situation comes about in many ways. It arises because some people leave the labour market. Others become marginal or part-time workers and their activities are not reflected in the statistics. Many work shorter time, and though this factor does appear in the DBS figures to some extent, the statistics are not co-ordinated so as to give an exact picture of the horror of the unemployment situation. The statistics should be sufficiently accurate to give clear guidance both to governments which are making decisions and to those who are influencing decisions in the House of Commons and elsewhere.

I should like to refer, also, to the situation which arose while the committee on consumer prices was holding its hearings in 1966, and the merry chase which was given to us by people in possession of statistics, officials of the Department of Agriculture and so on. I had a feeling they would have been able to save us six months' work had they been able to produce the figures we requested. On many occasions we asked representatives of a department: "What is happening to prices?", and they would tell us with a high degree of accuracy what the situation was. We would then ask how these compared with prices to the consumer, and they replied "We do not know." This was the responsibility of another department. It may be, indeed, that all they knew was the narrow picture they got in their own departments. But if they did not know, then, surely, someone else knew. It was not until we had spent many months of searching that we began to receive statistical tables showing the relationship between these things. I feel that if someone in the DBS had possessed the authority or the willingness to provide us with this information it would have been most valuable. The Bureau, in turn, might say that politicians did not have the wit to ask for it. It may be there were occasions on which we did not have the wit to ask, but

there were others when we did ask for information and did not get it. The experience was a frustrating one.

Another subject of enormous importance to Canada is the whole question of foreign ownership. We possess a lot of information about foreign ownership now, information about investment, information about imports and exports, information as to how much of the funds of foreign companies is raised outside Canada. Most of this information exists inside the Bureau of Statistics in one form or another, yet no one in the Bureau, to my knowledge, has ever taken this information and put it together in a meaningful pattern so that we could look at it and understand all the implications. We had to wait for the Watkins Commission before we could get some of this information. It depended on researchers like Kari Levitt; we had to wait for people like Ed. Safarian to compile his study. In short, the country had to wait for years for private writers to put this information together. And not all the information they required was available to them. They had to send out questionnaires and carry on a large amount of private research. In other areas, they simply had to guess.

One would have thought that in connection with an issue as important as foreign ownership those responsible for setting guidelines affecting the DBS would have shown greater interest in making sure this information was available. One can only reach the conclusion that the minister or the policy makers responsible have never wanted the Bureau to be as comprehensive in its studies as I have suggested; they have been satisfied to see the Bureau do the least amount of work that would get by; they have never set out a program encouraging the DBS to look for information which would be helpful in the future. The tendency, I suggest, has always been to under-rate the work of the Bureau and to ask that it spend a little less money.

It seems we have something against the taking of statistics. The Bureau has always been an adopted child; it has never had full status in the overall picture of government and public functions. I have had some critical things to say about the DBS but I should make it clear that this criticism is not directed toward the personnel of the Bureau. I have met many of them on numerous occasions and I think they are a most competent group of people. They really do a good job. The problem does not lie with them. When I have asked them for certain information which they were not compiling, they have said: Well, we do whatever we can within the budget allotted to us. The real responsibility lies with the policy makers in the government for not having set before the Bureau the kind of tasks which, I am suggesting, are essential in a modern society.

My hon. friends and I will be supporting the bill because it does make some improvements and it does move in the direction we think should be taken. For example, it makes available taxation statistics which we believe to be important because there is a great deal we do not know and shall not know until we have access to taxation statistics. For example, we do not know how much it costs to go on with this commercialized society, so dependent upon product differentiation, in which companies incur enormous selling costs—and advertising is only one of these costs—which are not all reflected in the price of the product. I have asked what it all comes to—I am thinking of such things as depreciation allowances, and so on—but I have never received a satisfactory answer. These are important questions when we begin to talk about tax reform. I suspect that selling costs, depreciation allowances and the various fringe benefits available to business run into hundreds of millions of dollars each year and represent tax benefits which have never been visible to the general public but which should be visible to the general public. This part of the bill will be of some assistance and I hope it will be used for the purpose I have indicated.

• (3:50 p.m.)

I also hope that the minister responsible for DBS will show a little imagination, come into the modern world and see the need for the additional kind of information that I have suggested today. Perhaps eventually, though not waiting 15 years, he will bring in a bill which reflects the changing mood of society and the need to measure quality as well as quantity.

Mr. A. D. Hales (Wellington): Mr. Speaker, I have a few words to say about this very important bill. I admit I have not given the bill detailed study, but a very important principle is at stake here. This is why I do not think we should move too fast in sending it to committee. I refer to the matter of secrecy.

People have always felt that their personal income tax returns were private, that no one other than officials of the Department of National Revenue should have access to the file. In this bill, the government is asking that people employed by DBS be given access to all income tax files in the Department of National Revenue, not only the files of corporations and small businesses, but of individuals. This is one more encroachment on the privacy of the individual, another case of how far the camel has got his nose into the tent.

I want to express my opposition to this abrogation of a very fundamental principle. We are going to give people who work at DBS the right to take income tax files of individuals. These files will be in the area offices, will be transported to DBS offices where the personnel will take what they want from them, and then be transported to national revenue. We do not know what will happen to them during transportation. It is all very well for the government to say there is secrecy, but I do not think that the secrecy will be all that dependable.

I think there should be some alternative course proposed. I feel that the government would be pursuing a much better course by setting up within the Department of National Revenue a statistics branch, if I may call it that, which would provide the information that is required. Under the present arrangement I can see a conflict arising between departments and staffs. There will be no end to the problems that may arise. I suggest the files should be kept where they belong, namely in the Department of National Revenue. A principle is involved

here, and I am very upset about almost anybody being given the right to look into matters as personal as income tax files. That is all I have to say about that particular provision.

I am also upset over the change in the name. We have had the name "Dominion Bureau of Statistics" ever since the act was passed. DBS are initials that are understood by people in all parts of the world. The government now wants to drop the "Dominion" and rename the bureau "Statistics Canada". I think this is the only reason this bill has been brought in, since very few other changes are proposed in it. I am concerned about relinquishing this old, reliable, well-understood nomenclature, one that will be missed, I am sure, by most Canadians.

I also hope that the changes provided here will mean better co-ordination and co-operation with the provinces so that small businesses and corporations will be asked to provide less material than is the case at the present. Like the hon. member for Calgary Centre (Mr. Harkness), who has had many letters on this point, I too have received complaints from small businessmen about the great amount of work and effort they have to put into supplying DBS with figures.

One last point about reports made by DBS. Some of them are three or four years old when published, and in this computer age there is no excuse for this. I suggest that unless reports are reasonably current we might just as well forget about them.

I will not take any further time of the House. May I reiterate what I said at the beginning, that I am very concerned about inroads being made into people's privacy, particularly in the area of personal income tax returns.

Mr. Speaker: Order, please. I have to bring to the attention of the Parliamentary Secretary and the House that the Parliamentary Secretary has already spoken in this debate. The Standing Order provides that the mover of a substantive motion may speak a second time, thus closing the debate. The hon. member is not the mover of the motion, and while this may be a technicality; perhaps it would be better to obtain the consent of the House to allow the hon. member to close the debate. Is this agreed?

Some hon. Members: Agreed.

Mr. Howard (Okanagan Boundary): Mr. Speaker, in closing the debate, I want to make a few comments on some of the excellent points that have been made by hon. members thus far. The points made pose the kind of problems that the government faces so often, where members of the opposition take an extreme view on the one side, and other members of the opposition take an extreme view the other way. Then, the government must somehow find a position between the two that is satisfactory to all Canadians.

I think the question of secrecy is an excellent example of this. The hon. member for Waterloo (Mr. Saltsman) suggested that we have far too much secrecy, whereas the hon. member for Wellington (Mr. Hales) and the hon. member for Calgary Centre (Mr. Harkness) declared that under the new arrangements we will not have enough secrecy. I want to say a few words about the particular subject of access to income tax returns. If I can describe the process that is envisioned, it might serve to reassure members of the Conservative party with regard to this point.

The proposal is that members of Statistics Canada who will be concerned with this particular aspect of the operation will go to the Department of National Revenue which will set up a special department under secrecy provisions more rigid than exist in that department at the present time. Data will be gathered on computer tapes and transferred in bulk to Statistics Canada for use at that centre as bulk information. The likelihood of an individual's return ever being made public is almost nonexistent. The conditions of secrecy under which personnel from Statistics Canada will operate will be, if anything, more rigid than the conditions under which personnel in the Department of National Revenue now operate.

• (4:00 p.m.)

In examining this bill for the first time, I was as equally concerned as are other hon. members over this point. I examined it very carefully before assuring myself that the provisions of secrecy which Canadians enjoy at the present time would be preserved. I feel I can assure hon. members that this important provision is being considered very carefully and that satisfactory action is being taken in that regard.

The hon. member for Calgary Centre (Mr. Harkness) made a point about the constantly increasing burden on businessmen in Canada to provide statistical information to the nation. I share his concern over this. I have talked to many businessmen who have experienced this burden and are concerned about the cost to themselves and their businesses of supplying this information, and I want to suggest to him that some of the most important provisions of this bill are designed to improve that situation. That is exactly what a good part of the bill is all about, to make it easier and cheaper for Canadian businessmen to fulfil the obligations they have to provide that information, which they use as well as governments, for the benefit of all Canadians. I think that is an important improvement accomplished by this bill.

The hon. member also suggested that there have been cost increases. I suppose there will be cost increases in the future as the nation grows, as business grows, as the gross national product grows and as the necessity to provide additional services grows. The Dominion Bureau of Statistics is doing everything it can to modernize and to use advanced methods such as computers wherever possible to simplify the gathering process in order that costs will be kept down and the greatest value for the dollar will be obtained. On the other hand, the hon. member for Waterloo (Mr. Saltsman) suggested that perhaps we do not have adequate statistics in Canada. He went on to say that the quality of statistics we have is not adequate.

The hon. member for Wellington (Mr. Hales) said he felt the reports were coming out too late. These are matters of a technical nature but they are being improved. I want to assure hon. members of the House that Statistics of Canada is constantly improving its ability to provide statistics of a more up-to-date nature and to provide them more quickly. It has an enviable record in this regard. If you consider these statistics provided on any subject by Statistics of Canada, you will find that reports are coming out more frequently and earlier after the completion of the gathering of that information than they have in the past.

Mr. Harkness: What is Statistics of Canada? We have no Statistics of Canada at the present time.

Mr. Howard (Okanagan Boundary): The hon. member has referred to the change of the name of the organization from DBS to Statistics Canada. He has suggested it is going to be confusing for those of us in western Canada who are familiar with the initials "SC", meaning Social Credit. I know when he goes to the airport at Calgary and gets on Trans-Canada Air Lines, I mean an Air Canada aircraft to come here he must find it difficult to leave behind those confusing views we get from the Social Credit government in western Canada, but I am sure even he has become used to the name Air Canada.

An hon. Member: We won't juggle the books the way they have.

Mr. Howard (Okanagan Boundary): An hon. member says, "We won't juggle the books the way they have". I am sure the hon. member has not yet found the wrong airline since they changed the name from Trans-Canada Air Lines to Air Canada, and I am sure he has found it quite useful and easy to be serviced by that excellent airline. I am sure he will get used to the idea of Statistics Canada. This will not be an earth-shaking change but an improvement and a streamlining.

In concluding, let me concur with the remarks of the hon. member for Waterloo who said his experience with the people of the Dominion Bureau of Statistics has been most satisfactory, that they are most competent in their work, are co-operative and have performed an excellent service to Canada. I want to endorse that view and say that these changes we are proposing today will make it possible for them to do their work even better.

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

Some hon. Members: Question.

Mr. Deputy Speaker: Is the motion agreed to?

Mr. Baldwin: On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

[Mr. Howard (Okanagan-Boundary).]

WEIGHTS AND MEASURES ACT

PROVISIONS RESPECTING UNITS OF MEASUREMENT, INSPECTION, OFFENCES, ETC.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs) moved that Bill S-5, respecting weights and measures, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, I know there is a feeling in the House to deal with legislation rather quickly and get it to the committees before the Christmas recess. I will be very brief in what I have to say on this bill, leaving the details to be discussed by the committee.

The bill before the House this afternoon should be regarded as a companion piece of legislation to the consumer packaging and labelling bill, Bill C-180, which is part way through the second reading stage and which we hope to discuss in a very short time. The remarks made in respect of one of these bills would apply to the other.

Federal responsibility for weights and measures is clearly set out in section 91 of the British North America Act. Just let me give a short history. The first weights and measures act passed by this Parliament was passed in 1873, and the present act which is being revised or replaced by this legislation dates from 1951. Legislation of this kind is very basic to consumer protection and the purpose of this act is to ensure that the purchaser shall receive just measure, whether he is buying a commodity that is sold by weight, by volume, by length, by area or even, by time.

The units of measure used in Canada have been established by several different pieces of legislation, and many of these provisions and units established under them have been and are now in need of redefinition. It is considered more practical and efficient, while making these changes, to bring them all up-to-date, and to bring all of the units of measure used in Canada under one central piece of legislation, namely Bill S-5.

Accordingly, this bill sets out to repeal the Electrical and Photometric Units Act, the Length and Mass Units Act, and the Weights and Measures Act of 1951. All of these measurement acts will be incorporated under this one bill, as well as all the special features of these three acts. They will be incorporated, we hope, under the new weights and measures act of 1971.

The bill sets forth all the units of measurement which are legally in use in trade in Canada. It defines these units in scientific and legal terms in accordance with the latest internationally accepted system, the Systéme International. This system is a set of precise measurements adopted by the last general conference on weights and measures, and is now in use throughout the world. It represents a considerable improvement since the days of long ago when the yard, for example, was measured by the length of King Henry's arm, and the time of Confederation when the legal yard in Canada was a piece of metal manufactured in England and deposited with the Speaker of the Senate. I do not know whether he was

thought to be a better custodian of the yard than the Speaker of this House, and I am not sure what reason—

Mr. Baldwin: Are you talking about King Henry VIII?

Mr. Basford: We have not got to him yet. The customary foot-pound units with which we are all familiar and the metric units will remain valid for use in Canada under this bill. I do want to assure hon. members, because there were some press reports which came out when the bill was before the Senate, that may leave the wrong impression, that the usual or official foot-pound and Canadian units we are used to cannot be curtailed without specific reference back to Parliament. There was a suggestion that this bill forced the introduction of the metric system. That is not so at all. It makes the use of the metric system legal in Canada, but it also retains the customary Canadian units which cannot be taken away without an act of Parliament.

• (4:10 p.m.)

The fundamental principle of the bill is that it makes it an offence to give short weight or measure. It provides that scales or any other type of measuring device to be used in trade must be of a type which has been tested and approved by the standards branch of my department. Certain devices now widely used in trade, such as parking meters and coin operated liquid dispensing machines, were not in general use when the last Weights and Measures Act was passed, but will be brought within the ambit of the act so as to permit us to ensure that these new devices give a fair and just measure.

In the past few years fraudulent practices connected with fuel oil deliveries and with odometers on automobiles have come to light, and this legislation, as it is being revised, will permit us to control those practices. The bill will also enable us to modernize our inspection program, using more sophisticated sampling techniques. Periods of equipment inspection will be set corresponding to the demonstrated need for testing based on a modernized statistical analysis of inspection data. The details of these features will, I am sure, be studied in great depth in detail in the Committee on Health and Welfare if this bill is referred to the committee.

This bill is closely related to, but quite distinct from, the packaging and labelling bill C-180 which I mentioned earlier. The latter bill is concerned primarily with prepackaged goods which are clearly identifiable as consumer goods. The packaging and labelling act is designed to establish the information about a consumer product that must be on a label or package, including a clear expression of the weight or volume of that consumer product. On the other hand, the weights and measures bill that is before the House covers the devices used in determining the weight or volume of all goods used in trade. It covers goods which are not prepackaged and are not covered by other legislation but are weighed or measured in stores, such as yard goods or fresh fish. It also covers goods which are sold at the non-retail level to wholesalers or to contractors or to others who buy in bulk supply. In other words, this bill is designed to protect the purchaser at every link in the chain from the producer of raw materials, to the retailer, and ultimately to the consumer, to ensure that they all receive full and just measure.

With that brief introduction, I move the motion that the bill be referred to the Standing Committee on Health, Welfare and Social Affairs where, I am sure, the bill will be studied with great care by hon. members.

Mr. G. W. Baldwin (Peace River): We will not say too much at this stage, although we will make sure that when this bill gets into committee it will be thoroughly and closely examined. I was glad to see that, unlike the last bill, the minister did not suggest that this be known as weights and measures Canada. At least he is going to draw the line somewhere. I see the Minister of Labour (Mr. Mackasey) here. The reason I mention that fact is I have heard his department and that of the Minister of Manpower and Immigration (Mr. Lang) will be put together and will be henceforth known as Unemployment Canada. But we will wait for that.

The bill gives, of course, a great deal of power to the minister. It used to be said many years ago that the sun never set on the British Empire. I am not faulting the minister because ambition is a great thing to have, and I am glad to see young men with laudable ambition. But it will not be too long before we will be able to say that in Canada the sun never sets on the empire of the Minister of Consumer and Corporate Affairs (Mr. Basford).

Mr. Basford: And with my head, it sure shines.

Mr. Baldwin: From toys to consumers, he does not miss a thing in between. I remember him from the days when he was a struggling but very effective chairman of a committee which was inquiring into these matters. From that small start, this great monolithic empire has been built. We will continue to watch the minister with exceeding interest because of this fact.

As the minister said, this bill has to be read in conjunction with the packaging and labelling bill. There are a few aspects in the bill with which I will deal. First, there is the very wide power of regulation that allows the Governor in Council to regulate exemptions, conditionally or unconditionally, from the application of the bill. This is all set out in clause 10. I will not go into the clause except to point out that it is a clause of almost two and a half pages with about 22 or 23 different provisions. It points up an objection which I have been making in this House, supported by my party, that over and over again we have a government which enacts enabling legislation—and this is little more than enabling legislation—and asks the House to give it very substantial grants of authority to act by way of regulation.

I do not think there is any doubt that 90 per cent of the acts and actions of this government which affect the lives, fortunes and property of the ordinary people in Canada come about as a result of regulation, order in council, or ministerial decree. I have spent three or four years crusading on this, and last year we got through an excellent report of an all party committee recommending

some very substantial and salutary precautions which can be taken, including a proposal in a bill and the establishment of a committee of this House. Right at the beginning of this session a bill was brought in, namely, the Statutory Instruments Act. It was defective in that it did not go anything like the distance which the committee recommended, but at least it was a modest start. The bill has been shelved, packaged and put away out of sight. Here we are having ministerial grants of authority brought forward in legislation of this kind and put in the hands of this government. I say it is a dangerous situation. We will not hold up the bill on that account, but let me tell the minister that I will seize every opportunity which comes up to point this out in the hope the media of this country will take into consideration the dangerous trend which is developing.

The tragedy is that it is only when we have lost these very important rights that we find out about them and start to complain. By then, it is way beyond the time for complaining; it is far too late. It may well be that before we are finished, we may take a stand. I say to the minister, and to his colleagues, that if the government persists in bringing forward enabling legislation which will operate mainly through the regulatory device, one of these days we in this party will take a stand and say, "you will not pass the bill until the House is given an opportunity to debate in an effective way the statutory regulations Act and to establish a parliamentary committee". We will not do it this time, however.

I am glad to see the Government House Leader is here. I hope he will listen to what I have to say and will take note that there will be an occasion, when a bill is brought forward by this government which, in our opinion, gives far too much power to the government to act by order in council, when we will say "no, you will not pass the bill". I want to make it quite plain that this warning is being given in good faith.

I also want to draw attention to the number of inspectors who are needed for the implementation of the bill. When he replies now, or if he replies in committee that will do just as well, I want the minister to answer one question. Perhaps a Parliamentary Secretary could reply for him, and we know that a Parliamentary Secretary can be most effective in giving replies. Are the inspectors who will operate under this legislation the same inspectors as those who will operate under the companion bill, the packaging and labelling bill?

• (4:20 p.m.)

Mr. Basford: Yes.

Mr. Baldwin: Now, I wish to make some comment on the wide power of inspectors to freeze a business for 60 days or more, as stipulated in clause 39 of the bill. There is no question that an inspector has the right under that clause to put a business effectively out of operation for 60 days, and this is something at which we must take a good look. There will be an onus on the minister to justify that clause.

[Mr. Baldwin.]

I also point out that the bill purports to create a very substantial number of new offences. I quite agree that if you are going to have an effective piece of legislation you must have sanctions in it, but every time a bill purports to create ten, 12 or 15 new offences for which people may be summonsed, may be convicted, and may be put in jail, it is our duty in this House to examine it closely. I hope that when we get into the committee the minister will seize the opportunity to justify the need for all these provisions. The same remarks apply to the way in which the evidence is going to be introduced.

I will not take up any more of the time of the House, except to tell the minister that we are not going to object to the principle of the bill. We do not think the bill is going to be a great improvement. We think it does validate and bring up to date a number of ideas which probably are needed in legislation of this kind. We have no great objection to it, but we will examine the details with some care in committee. I hope that there the minister will have all the answers. He usually gives some answers in this House, but not the kind of answers with which we are happy. I hope he does better when we get into committee.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, we in this party are in complete agreement with the principle of the bill as outlined by the minister. He indicated that its main purpose is to make it an offence for a person to give short weights and measures. Putting it more positively, its purpose is to ensure that the consumer receives just measure for what he or she pays. I think this is an excellent objective.

As the hon. member for Peace River (Mr. Baldwin) has said, I do not think we need to say a great deal about the bill at this stage because obviously it is a very detailed and technical piece of legislation. It is essentially the kind of legislation that we must send to a committee where we can have an across-the-table discussion and get down to the details. However, there are just a few points I would like to raise in connection with it in a general way at this time.

I think the minister has said that this is really a companion piece of legislation, in the sense of being in the same context, to the packaging and labelling bill. In a way, its purpose is also to prepare for the introduction of the metric system in Canada. The minister pointed out the history of our weights and measures legislation, dating from a long time ago, all of which indicates that we are quite a long way behind many other countries in adopting the use of the metric system. I feel that Canada has been at a considerable disadvantage in many ways as a result of being so slow to adopt the metric system. Perhaps, as in so many other cases, our slowness has been because of the reluctance of the United States to adopt the metric system. As a result, we have been lazy in moving toward adoption of it.

This bill really includes three systems, both the metric system and the customary Canadian system of weights and measures, to say nothing of one part which includes land measurements from the old days of seigniorial tenure in the province of Quebec, with pied, arpent,

perche, etc. It is novel to find all these included in a temporary developing situation, but I would like the minister to give some indication of the length of time that all these things will remain lumped together. I would like to hear from the minister his estimate of how long it will take to move from the use of the customary Canadian system to the use of the metric system.

At this point, I wish to recall something that may assist him. In our history books we have read that on January 1, 1922, the city of Vancouver and, I believe, the whole province of British Columbia, switched from driving on the left-hand side of the road to driving on the right-hand side. A great deal of preparation had to be made for that switch. But when the switch was made, it was made in a single day. People were well prepared for it, and as a result the confusion it caused was minimal. I hope that the period during which we will be struggling with both the metric and the customary systems in Canada will not be long drawn out and that, however we decide to move, we undertake the move as quickly as possible. I am glad that the minister is taking the first steps to move us into adoption of the metric system.

During the committee hearings, I shall ask how long the public will be undergoing preparation for the change to the metric system. I do not believe we should muddle along indefinitely using both systems. There is a need for consumer education in this respect. The committee on prices, which the minister so ably co-chaired several years ago, vigorously insisted on the need for consumer education. I hope he will now alert the public to become familiar with the terms of the weights and measures used in the metric system. This brings up another point.

Those who will be living with the metric system in Canada are today's school children. On this point I do not want the minister to hide behind the constitution and say that, unfortunately, education is a provincial matter about which he can do nothing. I point out that consumer education is the job of the minister and his department, and in my view his department should be considering ways and means of introducing consumer education at a lower level than that of adults who have become fossilized in the customary system of weights and measures that we are presently using. I think that the minister, agile and able as he is in so many ways, particularly with respect to details, should be able to discover a way by which consumer education can be directed at young, unformed minds so that in later years they will be able to use the metric system to the best advantage.

An hon. Member: What about the unformed minds in the Liberal party?

Mrs. MacInnis: I would prefer not to touch on that for the moment.

The hon. member for Peace River questioned whether there will be a need for all these inspectors. One way to keep down the number of inspectors is to increase the amount of public education. Well informed housewives will reduce the need for a large number of inspectors. I scarcely think the minister and the government believe it a good idea to keep the public uninformed so that a large number of inspectors may be appointed. The ordinary consumer, well educated and self-interested, would be much more vigilant than any civil servant wandering around and making less interested inspections. These are some of the points we should look at when discussing this bill.

• (4:30 p.m.)

As I say, the principle of this bill is a good one if the minister can assure us that we are not just going to add the metric system to our own weights and measures system, leaving it to some future minister to sort out the confusion. I would like to be sure that the present minister will see this through, and if he does I think we will have a good bill.

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, my remarks are more in the nature of a question to further underline the remarks already made by the hon. member for Vancouver-Kingsway (Mrs. MacInnis). I should like to ask the minister, as we close this debate, if he could give some indication of what progress we have made toward the adoption of the metric system in Canada. The hon. member pointed out some of the factors that are holding us back, one being that the United States is loth to accept this standard. Our manufacturers are at a disadvantage when they undertake contracts for foreign companies and find that the specifications are in the metric system.

It seems to me that we should be moving a little faster in this field, Mr. Speaker. Many of our scientists have already spoken about this as it is the common scientific measurement throughout the world. The system is being taught in schools, but in a theoretical manner. I heartily concur with the suggestion that more steps should be taken to introduce this system of measurement in a practical way. I wonder if the minister could state if his department has taken any steps or conducted any research on how the system should be introduced.

At the present time the United Kingdom is moving to the decimal system of currency and both types of coinage are in circulation in order to facilitate the gradual introduction of the new system. This makes me wonder if we should not be moving in the same direction. Perhaps a good place to start would be to measure gasoline in litres instead of gallons, since everybody buys gas.

That is all I have to say, Mr. Speaker. I wonder if the minister could indicate what progress is being made.

Mr. Deputy Speaker: I have to advise the House that if the hon. minister speaks now he will close the debate.

Some hon. Members: Agreed.

Mr. Basford: I will be brief, Mr. Speaker. I appreciate the remarks of hon. members and, in particular, those of the hon. member for Peace River (Mr. Baldwin). However, I think his remarks can be dealt with more appropriately in the committee. The hon. member who

just resumed his seat asked about the metric system. May I say that, of course, we can go into this in great detail in the committee. The bill before the House provides for the use of both systems, the customary foot-pound system and the metric system. The latter is already coming into vogue in some industries in this country.

The position of the government was clearly stated in a white paper that my colleague the Minister of Industry, Trade and Commerce (Mr. Pepin) tabled in this House last February. This is a very important statement relative to conversion from the foot-pound system to the metric system, and I think we are finally beginning to make progress on this. Let me make it very clear, Mr. Speaker, that there is no doubt in my mind that we should convert to the metric system, and the sooner the better. We should not be debating the question; the discussion should be on how we can convert with the least possible expense and inconvenience. Undoubtedly, there will be expense but we should endeavour to minimize it. It is obvious, however, that because we are a trading nation and a great deal of our market is in the United States—and I make this as a general statement—we are going to move to some extent hand in hand with the United States. I detect a growing sentiment for conversion to the metric system in many of the consumer groups in that country. I understand that the United States Congress has a committee which is examining the matter. When I was in Washington last fall and met with the Secretary of Commerce, The Honourable Maurice H. Stans, he was enthusiastic and thought that we should convert. My personal view is that we should convert as fast as we can and that we should be debating how we convert, not whether we should convert.

I think conversion to the metric system would greatly benefit Canadian industry and trade and, from the point of view of my own portfolio, it has great potential for benefiting the consumer, once it is understood in terms of comparison with competing products and the packaging and measurement of products. There are great advantages, Mr. Speaker, and I make that statement in answer to the questions that were asked. I know we will go into it in much more detail in the committee.

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

Some hon. Members: Question.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

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CONSUMER PACKAGING AND LABELLING ACT

PROVISIONS RESPECTING PROHIBITIONS, LABELS STANDARDIZATION, INSPECTION, ETC.

[*Translation*]

The House resumed from Tuesday, November 3, consideration of the motion of Mr. Basford that Bill C-180, respecting the packaging, labelling, sale, importation and advertising of pre-packaged and certain other products, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

[*English*]

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, on November 3, I began to move the second reading of Bill C-180, the consumer packaging and labelling bill. I got half way through my remarks so I should like to finish them now. I regard this bill as one of the most important pieces of consumer protective legislation which I have had the honour to present to this House. I think it represents a fundamental principle to the consumer movement, and it represents great advances in the whole field of consumer packaging and labelling.

When I was speaking on November 3, I drew to the attention of hon. members the great significance of obtaining full, accurate and relevant information about the product from its package and its label. At that time, I reminded the House of what had been said on the subject of packaging and labelling by consumer groups, and by the parliamentary committee mentioned by the hon. member for Peace River (Mr. Baldwin), which Senator Croll and I had the honour of chairing and on which many members of this House served. I reminded the House of the recommendations of that committee and of the recommendations of the Royal Commission under Judge Mary Batten, appointed by the three prairie provinces.

All of these groups made recommendations about the need for change in the laws governing packaging and labelling. In so far as those recommendations can be dealt with by federal legislative or regulatory authority and action, and to the extent that they have not already been attended to in other consumer legislation which I have introduced, the present bill before us reflects the preoccupation and recommendations of those groups. The bill is also in line with proposed or existing legislation in most advanced countries of the world and indeed is ahead of some.

• (4:40 p.m.)

Having given this background, I should like to turn very quickly, because I appreciate what hon. members are endeavouring to do this afternoon, to the basic principles or basic thrust of the bill. I will leave unsaid a number of things I had wanted to say in order that we may be speedy. If I need to say them, I shall do so when I close the debate and have an opportunity of speaking again. I want to outline very quickly the five basic principles of the consumer packaging and labelling bill. First, this bill is designed to be a comprehensive, omnibus kind of bill. It is designed to provide, over a period of time, a reasonable degree of uniformity with respect to the method of labelling and packaging consumer goods and to overcome the confusing array of labelling requirements which now exist under a whole host of different packaging and labelling regulations and laws.

The second principle of the bill is the provision of full and factual information on labels. This is a fundamental

requirement of the consumer movement. It is a fundamental axiom of consumerism that consumers ought to be able to exercise a rational choice. In order for consumers to buy conscientiously in the market place, it is necessary that they be provided with full and factual information. This is the second main principle of the bill. This principle is that the consumer shall have available to him full and factual information on labels so that he will have the basis on which to make well informed decisions and well informed and rational choices. This bill provides that all prepackaged products shall bear a quantity declaration, and such declaration shall be in terms of Canadian standard and metric units of weight, volume or length. Count will be permitted where this is the usual practice.

The net quantity declaration of weight, measure or count will appear on the main panel of the package. This declaration shall be easily legible and readily discernible under normal conditions of purchase and the minimum acceptable print size of the declaration will be established by regulation. The name and place of business of the manufacturer, packer or distributor will have to be shown on all packages so that the consumer may readily get in touch with him and make any inquiry or complaint. The commodity must also be identified in terms of its common or usual or generic name or in terms of its function.

The third principle, Mr. Speaker, underlying this bill is the prevention of fraud and deception in packaging and labelling, where these occur by way of non-functional slack fill, which is the technical term for the package which does not have as much in it as people may expect, or misleading depictions and vignettes, or deceptive descriptions of the product, by false advertising or in any other way. That is meant to curb actions which tend to deceive or manipulate the consumer. As hon. members can see, the bill will ban a variety of false and misleading representations on labels, including expressions or depictions which create a wrong impression as to content, origin, quality, performance or method of production. It will, for example, be illegal to declare an item handmade when it is in fact machine-made.

Containers of prepackaged products must not be manufactured, constructed, filled or displayed in such a way that a consumer could reasonably be misled as to quantity or quality of the product. In gauging the contents of a container, consumers should not have to put up with trying to detect whether there are hidden indentations, fillers or just unfilled space other than that which the peculiar qualities of the product require.

The fourth principle of the bill that I want to emphasize, Mr. Speaker, is this: the bill will tackle the question of the undue proliferation of package shapes and sizes which is the source of a great deal of consumer irritation. One of the most annoying things for consumers, and I frequently hear complaints about this, is the almost staggering variety of package shapes and sizes in some product lines. This matter was mentioned before the Parliamentary Committee and the Royal Commission. That makes prices comparison and product comparison almost impossible. I have reason to believe that certain manufacturers also consider that this marketing technique of package proliferation has, in some cases, reached ridiculous proportions and that they would welcome some rationalization of package shapes and sizes in some lines of consumer products. The bill provides that where the governor in council is of the opinion that there is undue proliferation in the sizes or shapes of the containers for prepackaged goods, the effect of which is to confuse or mislead the consumer, he may establish regulations to limit the sizes or shapes of such containers. The next provision is important, Mr. Speaker. For the purpose of establishing package requirements, the minister may seek the advice from time to time of the Standards Council of Canada, any organization in Canada engaged in Standards formulation, or any organization of consumers or dealers in the prepackaged product.

Some people, Mr. Speaker, have expressed the concern to me, and I notice that this matter has been referred to in the press, that the effect of this provision of the act will be that the government will interfere unduly with the free market process and will eliminate from the market package sizes which meet a real consumer requirement. I can assure the House that nothing could be further from the truth. I am fully aware that a variety of package sizes is necessary in order to meet the differing requirements of different kinds of households and products. I am also aware that there should be room for innovation in package shapes and sizes, just as there should be in other aspects of the marketing process. We wish to do nothing to prevent or hinder innovation.

I would remind the critics, Mr. Speaker, that a very large number of consumer food products are already packaged in standard sizes under a variety of acts and regulations which have been on the statute books for some time. These regulations have not worked an undue hardship on the manufacturers of those products which are required to meet certain standards under the regulations. For example, the more commonly used canned foods are sold in specified sizes, as is a product such as butter. The standards which have been introduced have not, it seems to me, worked any undue hardship on the free market system, on the producers, or on those who buy or sell butter. All that this section of the act intends to achieve, Mr. Speaker, is a similar degree of rationality in those areas where, quite frankly, the consumer is faced with an extremely confusing and even misleading array of package sizes for certain consumer products, which makes it almost impossible for him to reach any rational decision as to which may be the best buy having regard to his particular need.

In preparing these and all other regulations under the act, Mr. Speaker, it is our intention to consult not just with other government departments with interests in the field of packaging and labelling, but also with associations of consumers and manufacturers and other interested persons. May I point out that this is a very important principle to be considered in legislation of this kind. There is a specific provision in the bill which affords manufacturers, retailers and other people interested in the regulations a reasonable and statutory right to make representations with respect to the regulations. I think

that is an important provision. We want to make sure that such persons will have a reasonable opportunity to make representations under the regulations. We also want to make sure that the regulations are as practicable as knowledgeable people can make them.

In a bill, Mr. Speaker, designed primarily to help the Canadian consumer make knowledgeable and rational decisions in the market place, there is another feature which is of very great importance and significance. I should like to announce this afternoon the government's position on bilingual labelling. Bilingual labelling should, in my view and in the government's view, Mr. Speaker, as a general practice be mandatory for consumer products, both domestic and imported, which are subject to federal labelling legislation. At the present time the various federal acts which set out packaging and labelling rules are not consistent concerning the use of English or French. Several acts make no reference at all to language; some require that either English or French be used, while a few of the more recent labelling regulations specify that either English or French or both English and French shall be used. The new labelling regulations dealing with hazardous household chemicals, recently issued under the Hazardous Products Act, represent the first general bilingual labelling regulations or legislation at the federal level. There have been for many years requirements under the Food and Drugs Act relating to the use of both languages. These will be broadened and made general.

• (4:50 p.m.)

Already, of course, a large proportion of food and drug products sold in Canada have bilingual labels. Manufacturers of many consumer products, especially of nationally advertised brands, have voluntarily applied bilingual labels to their products. This positive trend will facilitate the proposed program, making the task less formidable.

Over the next couple of years, drug products, foods, cosmetics, patent medicines, pesticides and all consumer products subject to federal labelling rules will progressively have to meet the bilingual labelling requirements. These new regulations will increase the number of products labelled in both languages, and we expect by the end of 1975 that bilingual labelling should, as a general practice, be mandatory at the point of manufacture for consumer products subject to federal labelling legislation.

There will be minor exceptions to the bilingual labelling requirements in certain circumstances where their mandatory application would obviously be impracticable or cause undue hardship. In general, however, most consumer products of both domestic and foreign origin will show the information on their labels in both English and in French by the end of 1975. It is recognized that imports may require special attention to ensure that foreign suppliers are aware of the bilingual requirements. Every effort will be made to encourage the earliest implementation of these new rules for imported products to the five-year target date. An interdepartmental committee will establish guidelines to ensure an orderly and efficient transition to this new policy.

[Mr. Basford.]

I wish to emphasize that what is provided in this bill has been demanded by consumers and consumers spokesmen for many years. This bill is designed to help achieve the demands and requests made to the government for many years. I urge consumers and consumer organizations to express their support for it. In fact, since the bill was made public, I have already had encouraging words of support from consumer organizations and I have told them that they can manifest their support by appearing before the Standing Committee on Health, Welfare and Social Affairs when, as I am confident will happen, this bill is referred to that Committee. I urge industry too, to get behind the bill, to give it their constructive support. I am confident that a careful reading of it will show that it is in the interests of that vast majority of honest and conscientious manufacturers who want to serve the consumers, just as it is in the interests of the consumers themselves. I am sure that this bill warrants the support of responsible businessmen. I urge them to continue this responsible support.

I trust that this bill will commend itself to all members of this House and that it will be referred to the Standing Committee on Health, Welfare and Social Affairs at an early date where it will receive careful attention.

Mr. Baldwin: May I ask the minister a question? I will not be responding to this motion. My question is in connection with the very important announcement made by the minister in respect of the bilingual aspect of labelling prepackaged products. This must not be misunderstood. Does the announcement which the minister has made on behalf of the government indicate the policy by which prepackaged products from abroad or manufactured in Canada will be required by a certain date, under the regulations which the Governor in Council will in due course establish, to have bilingual labels? If not, those who import goods into Canada, sell or advertise them will be subject to an offence and a penalty. One of the penalties is set out in the bill.

Mr. Basford: Subject to the exemption which I mentioned, Mr. Speaker, that is the general thrust of the policy as announced.

Mr. W. M. Howe (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, when the minister spoke on November 3, he used the Bible and the Magna Carta to substantiate his position with regard to the bill. Thank God he has not used them today as well as all his other platitudes and comments.

Mr. Basford: They are good authorities for legislation.

Mr. Howe: This bill is titled an act respecting the packaging, labelling, sale, importation and advertising of prepackaged and certain other products. This is an important bill. It affects the lives of all Canadians in that it relates to what they eat and what they buy on the market. It affects consumers, farmers and manufacturers. It enters into practically every type of business and organization in this country. This is one of the most

complex and vital bills that has been introduced in this House for a long time.

I sometimes wonder whether items that are supposed to do so much good for the ills of the consumer actually work out that way. The modern market place is complex, reflecting, above all, the complexity of the needs and wants of consumers. Our marketing system has not developed willy-nilly, but rather includes a number of built-in safeguards, among them the basic intelligence and good sense of consumers, the role of retailers in tailoring available supply to customer demands, and existing laws providing consumer guarantees, standards and protection.

The minister stated that we have a great deal of legislation which deals with the protection of consumers. I wish to refer briefly to the legislation dealing with hazardous products. Great emphasis has been placed on the labelling of hazardous products. We seem to have overlooked the fact that hazardous products are detrimental to children. Many cases involving hazardous products concern children who are unable to read. Children are most often the victims of hazardous products such as bleaches, detergents, pills and other drugs. This packaging bill should place greater emphasis on safe packaging of pills, drugs, bleaches and other hazardous products that are easily accessible to children. Often their health is destroyed and in many cases they die.

The minister indicated that approximately 7,000 articles are available in today's supermarket. Within a few years this number will reach 20,000. This is a complex bill. Why were those who are involved with producing and selling packages not called upon for assistance in preparing this legislation? It is true the minister said they will be invited to appear before the committee, but I feel if the intention is to produce good legislation the people engaged in the business should be consulted at an early stage. After all, these packages and labels are all there for a reason. We have all seen what has happened in connection with other bills. Legislation is prepared and, in many cases, it falls short of what is required. Those who have had a tremendous amount of experience in the commercial and industrial world should be asked for assistance in situations of this kind. I am sure there are lots of manufacturers' organizations and consumers' groups who would be willing to assist in making sure that good legislation is put before the House.

• (5:00 p.m.)

The minister has told us that packaging is to be standardized. I cannot help wondering how soon it will be before there is a standardization of prices, before every package on every shelf in a store will carry the same price tag for comparable articles. For myself, I hope this time will never come, because if it did it would destroy the initiative of manufacturers, the desire of people to put a product on the market and work in the marketplace as they should.

We on this side of the House are a little disturbed about the legislation before us because, once again, we see that provision has been made for the governor in council to issue regulations. For example, he can exempt, conditionally or unconditionally, any pre-packaged product or class of pre-packaged products from any or all of the provisions of the act or regulations. This leaves the road open for a lot of possibilities. Even a little politics could enter, here. Someone who is a friend of the minister might be exempted from the effect of this legislation and he could place his product on the market without complying with the regulations laid down for others.

Then again, the minister indicated it might take five years for this measure to become effective. Well, in five years from now most of the produce presently on the shelves of merchants and retailers in Canada will have been replaced. The minister tells us that some packages are short-filled. I believe that in labelling, emphasis should be placed on the date of the package; a product may have been on the shelf for two years, and, naturally, there is shrinkage in this space of time. A number of products can, of course, be kept on shelves for long periods without deteriorating. Consideration should be given to this aspect. It occurs to me that another difficulty is likely to arise in connection with a wide range of imported products now available. Their number has increased year by year as many new Canadians come to this country and demand some of the products they have used at home.

We ought to consider carefully the effect this legislation is likely to have on the cost of living. It is true the proliferation of packages will probably be reduced, but the cost of altering the present system may well be substantial. I know, for example, that the cost of the box in which one company packs its woolen blankets is 50 cents. Under the legislation before us, this packaging might have to be changed. One can imagine the cost to the manufacturer if he is required to do so—and we must not forget that the cost of the packaging is added to the cost of the product itself.

I feel, sometimes, that some of these proposals intended to be for the good of the consumer do not, in the end, turn out to be much benefit when they are accompanied by government regimentation. In this case the cost of meeting new packaging requirements might add 2 per cent, 3 per cent, 5 per cent or even 10 per cent to the price in some cases. The expense might be enormous in some cases.

When we first look at this legislation it might appear to contain a good suggestion; we have all had our problems in the supermarkets in deciding between one package and another. But we should bear in mind that packages are arranged in the way they are, probably because consumers demanded packages of that type. It is not always the manufacturer who is to blame for the existence of all these types and varieties. Think of all the different soaps and detergents we can use nowadays, for example, the soaps made for use in dishwashers as distinct from washing machines. There is a tremendous complexity in this field.

When the bill gets to committee we must take a careful look at it. I was glad to hear the minister say that before the regulations were changed at any time consumer

groups, manufacturers' groups and retailing interests would be allowed to consider them. I must say I do not see anything in the bill which says these groups will be consulted. I note that the regulations will be published in the *Canada Gazette* and a reasonable opportunity shall be afforded to consumers, dealers and other interested persons to make representations with respect thereto. But this appears to be putting the cart before the horse. If there are to be changes, they should be brought to the notice of the people most concerned before the regulations are drawn up. Then, when they are in the best possible form, they should be published. To my mind, this is the best way of proceeding, because once the regulations have been published in the *Gazette* it becomes more difficult to change them and this is bound to add to the complexity of the difficulties which the bill before us could create.

I sincerely hope the minister will afford an opportunity to all the groups he has signified to appear so that by the time the legislation is brought back to this House it will do for the consumers of Canada what the minister hopes it will do. I have my doubts in connection with the cost of this legislation and the length of time it will take before products already on the shelves have been bought or returned for repackaging or relabelling. As I said earlier, one of the main things we should be concerned with is the safety of containers in which hazardous products are offered for sale. This is as important as labelling, because children who sustain accidents through swallowing or coming into contact with injurious substances, cannot read.

• (5:10 p.m.)

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I am pleased to have the opportunity to welcome this bill which I know will be well received by consumers across Canada. It has a great many good things in it. I want to discuss the bill under two headings: first, those things which are in the bill which I think are good and, second, one very important matter that is not dealt with in the bill and which I think it is essential that the minister take into consideration.

I was glad to hear the minister say that an opportunity will be provided people who are interested in the subject of labelling and packaging to make representations before any changes are made. I was even more glad to hear him suggest that consumers, manufacturers and other people interested would be welcome to appear before the committee when the bill is discussed in detail. I hope this means that witnesses will be called since the bill does make some new provisions. Most of the provisions were anticipated and were recommended by the report made by the special joint committee of the Senate and House of Commons of which the minister was co-chairman and which reported in the spring of 1967.

There is no doubt that the provisions in the bill have been requested over and over again by representative consumer groups, committees and commissions, as the minister has indicated. Some of the very good provisions are, firstly those that require a declaration on the label as to net quantity in terms of the weights and measures mentioned earlier. Secondly, there are provisions prohibiting false or misleading advertising and representation. I have drawn a lot of such cases to the attention of Box 99 and the minister, such as fruit drinks that are advertised in such a way as to make it appear they contain fruit juices, whereas in reality there is no fruit content in any way, shape or form but merely chemical compound. Thirdly, consumers have called for a long time for the number of servings to be indicated on the label. I do not mean by this a declaration that there are four, five or six servings, as the case may be; the quantity should be clearly stated in terms of appropriate weight or measure.

It is a good thing that the identity of the principal place of business of the manufacturer and other relevant information should be put on the label of a product. It is also a good thing that the product itself should be identified in terms of its generic or common composition or in terms of its function, namely what it does. It is a good thing that there is provision for information regarding the nature, quality and size of the product, and so on.

I also think that standardization of containers and the power to limit sizes or shapes of containers which are now in great profusion is a good thing. I have a distinct recollection of the prices committee visiting Fort William, or what was then Fort William and is now one half of the city of Thunder Bay, and being told by one consumer group that in one supermarket in town there were on the shelves 55 different kinds and sizes of packages of breakfast food.

I know that the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Howe) who has just taken his seat, expressed concern lest the minister use dictatorial power to cut down on the number of sizes and shapes of packages and thus unduly interfere; but I suggest that the consumers of this country are both bewildered and confused as well as annoyed by this proliferation of different sizes and shaped packages of prepackaged breakfast food, which is quite unnecessary and a nuisance to cope with.

It is also a good thing to make provison in the bill for banning the use of deceptive terms, such as "cents off", "special sale", "large", "jumbo", "king size", "giant size", "jumbo quart" and a whole host of misleading terms of that sort. All of these provisions are good, and there are others I could mention which the minister enumerated in general terms.

What I say now is, so far, so good. As far as the bill goes the consumers can hope that the legislation will work well, that it will deal effectively with a number of great nuisances and misleading and confusing practices. But I do not think that the bill goes far enough to protect consumers in the supermarket or in the market place. This bill is very like one passed in the United States in 1966 known, I think, as the Fair Packaging and Labelling Act. Consumers in the United States who hoped for protection found the legislation pretty frustrating and completely inadequate. Evidence of this is coming increasingly to hand. I am rather suprised that the minister, who must

have been watching the situation there, has failed to see what I think is the central weakness in the United States legislation, the glaring omission that left consumers without the protection that they needed. What the United States bill left out was the real tool that shoppers must have if they are to determine the best value for their money. That tool is legislation that requires each package on the shelves to carry a label declaring the price per unit of the product inside the package. This provision is required in this bill and I hope there is sufficient representation before the committee for the minister to pause and to reconsider this legislation.

In case some hon. members are unfamiliar with the term "price per unit", may I briefly give this little summary taken from *The Machinist,* an American paper which puts the definition forward very succinctly. In the September 17 issue there appeared the following:

> Unit pricing is the practice of stating the price per unit (pound, quart or pint) as well as the price per can or other package.
>
> If you know the price per unit you can far more readily compare values and select the item offering the best value, regardless of its particular shape or size—which may be very deceptive.
>
> You can see the difference in cost among different brands, different sizes and different versions of the same food.
>
> The greatest differences revealed by unit pricing are often between the store's own brands and the national brands. But there are differences among the national brands too.

The hon. member for Wellington-Grey-Dufferin-Waterloo expressed fears that this legislation would cause the minister to become dictatorial on the issue of the size and shape of packages. I notice these fears were also expressed in an editorial that appears in the *Journal* on November 5. The editorial questioned clause 11 of the bill and had this to say:

> —Section 11 of the bill . . . says the Minister may make regulations to avoid "an undue proliferation of sizes or shapes of containers". We see the intent: too many shapes and sizes make it hard for a customer to compare weights and prices. Yet—telling a manufacturer to label his goods honestly is one thing, but telling him he must use only such and such a package or container is moving into freedom of enterprise. It may not be a grave intrusion of free enterprise, but any such intrusion becomes a precedent and this one should be closely questioned by the opposition.

I imagine that in general this is the sort of fear expressed by the hon. member for Wellington-Grey-Dufferin-Waterloo. What a unit pricing system would do is remove this fear. With unit pricing, it would not matter what was the size or shape of the package. If the price per unit were stated on the package then consumers in general could tell exactly the value of what they are getting. I notice this question as to why there has been no unit pricing included in United States legislation has been asked in a number of places in the United States by consumer organizations. It must be remembered that consumer organizations in Canada as a rule have not caught on to this because they have not had familiarity with the Fair Packaging and Labelling Act of the United States. Consequently, they are unable to realize the shortcomings from their own experience. This is why I fail to see why the minister cannot take advantage of United States experience in order to avoid Canadian consumers having to go through a period of trial and error, having to learn the hard way.

• (5:20 p.m.)

Let me quote from the June issue of the 1969 edition of Consumer Reports:

> Why shouldn't all packages be labelled with the price per pound or pint or other relevant unit? In considering such a requirement, the drafters of the Fair Packaging and Labelling Act decided it might be too costly for the small independent grocer. Since manufacturers could not usually print prices on their packages without violating the laws against price-fixing, the price labelling job would fall, as it does now, to the retailer. But regional offices of supermarket chains could readily include unit prices on the master price lists sent to all store managers, and suppliers could equip small groceries with easy-to-use price tables. The extra cost, if any, would probably prove negligible.

I might add that the savings to the consumer would prove considerable, not only in money but in time and worry expended by women while they are fussing and wondering about which package offers the best value. Actually when this legislation was before Congress it had a provision for standardizing packaging which was at least a little more protective than our legislation. It required packages in sizes of pounds and half pounds which would allow the consumers to understand how much they were getting for their money. The Congress committee of the House of Representatives threw out this provision as a result of pressure by large commercial interests in the United States.

This is not an excuse for our minister to leave unit pricing out of his packaging and labelling bill. I hope the minister will reconsider and put it in. I might point out that in Canada there are many consumers who are concerned about this. I should like to quote from a brief I received not long ago from the Fédération des Magasins Co-op de Québec. Let me read this little quotation:

[*Translation*]

> Another aspect which has not been considered in that bill and which we are questioning at length deals with the application of the price per measure and unit. This measure enables consumers to choose any product by comparing the prices per unit of a specific measure and not only per packaging unit. It consists in generally indicating the price per ounce or per unit in the case of multiple packaging. It is thus easier to choose the most economic size.

[*English*]

I certainly hope when this matter comes before the committee representatives of the Fédération des Magasins Co-op will have an opportunity of coming here and discussing this matter with the minister and members of the committee. It seems to me that omitting unit pricing from the packaging and labelling bill will mean that consumers today will not discover very easily which product is cheaper. In fact they will not be able to discover this without a computing device of some type. Moreover it is all too easy for manufacturers to disguise the effects of inflation by putting just a little less of the product in the package and leaving the price unchanged.

I have taken many examples of this to Box 99. The minister of course, may agree with the Scott Paper Company which argued against the truth-in-packaging legislation in the United States as follows:

A woman in a store is a mechanism, a prowling computer—

Some women may be, but I have seen too many harrassed women pushing grocery carts in supermarkets, trying to hold on to a child with one hand and get packages off the shelves with the other, at the same time trying to watch a couple of other lively youngsters, in order to have any such comfortable illusions.

Trying under these circumstances to determine which is cheaper, the 12⅔ ounce package at 73 cents or the 1.8 ounce package at 81 cents is an exercise which can drive any "prowling computer" straight up the wall and turn her into a howling consumer in desperate need of tranquilizers.

I know the minister will tell the House he is going to get rid of all these fractions, and I am glad of that, but this is what the consumer is up against. While the minister might improve the situation, I do not think he will make it nearly 100 per cent as long as he does not embody this per unit pricing factor in the legislation. He may say that women can do just as well without this per unit pricing, but I should like to refer him to a couple of tests that were performed in the United States, one in 1962 and one in 1968.

Both these tests were conducted in the same supermarket in Sacramento, California. In each case there were five college educated housewives employed who shopped regularly for their family needs. I would not suggest that college training necessarily made better shoppers but these women were chosen because it was felt they would be able to discriminate. These groups of women in these periods of time, six years apart, were asked to disregard brand preference and quality. Each woman was instructed to purchase 14 specific average grocery items. They were told to buy the package which, in their opinion, offered the largest amount for the lowest unit cost.

It is interesting to note that the five women had a total of 70 items to buy on each occasion. In 1962, of the 70 selections the group made, 34 were wrong. That is almost one-half the total. In 1968, of the 70 selections made, 38 were wrong, and that is over one-half. In spite of the fact that these were sharp women consumers selecting articles they were buying all the time, the group in 1962 was wrong in just under half of their choices and the group in 1968 was wrong in just over one-half. I think these were pretty fair tests.

I maintain that if those women had the protection of price per unit legislation they would not have been able to go wrong in all those selections which they made. They would have known exactly what the price per unit was regardless of the look, shape or size of the package. This would seem to offer very conclusive evidence that without unit pricing, women on the prowl are not computers.

[Mrs. MacInnis.]

The minister may still remain unconvinced of the fact that women without unit pricing are unprotected shoppers at the mercy of the market. I would like to see him do a little more investigation into this matter. It is all too easy for people who have been used to one way of doing it to say that we are smart enough to outwit deceptive packaging, particularly when the minister is proposing quite a few measures to do away with deceptive labelling and packaging, when he is trying to do away with slack fill, deceptive pictures, and other misleading practices.

• (5:30 p.m.)

I remember that a few years ago one of the ministers' assistants helped me to rectify a case of deceptive packaging. I refer to a package of cod fish fillets with a picture of five pieces of fish shown very clearly on the label. When the packages were opened, and we opened quite a few of them, there were exactly four pieces of fish inside. This may be mildly amusing to some members of the opposite sex in this chamber who do not have to get meals ready, but it is infuriating to women when they count on five pieces of fish, as shown on the package, and they find only four pieces inside.

The minister is doing a good job along these lines, but I wish he would go further. I wish he would put in what was omitted from U.S. legislation. I have given him evidence of it. I referred to the findings by U.S. consumers of the need for the price per unit being put on the package. I gave him the suggestion made by Consumer Reports—a publication with which he is familiar—that the cost would be negligible if the retailers were supplied with easy to use price tables. This would help women enormously. I know very well that the minister wants to help consumers become discriminating shoppers. He has said so himself. The most convincing thing he said was a few moments ago when he declared that he wanted them to come to the committee and make their voices heard. When he actually gets around to wanting to see them and hear what they have to say, I really believe he is in earnest. I will do my best to see that people with discrimination get to the committee in appreciable numbers.

I urge the minister to take to heart the findings of U.S. shoppers. If he really believes that the tests in the United States are not accurate, and that Canadian women may be able to outwit the packaging with the help of this legislation, I would like to offer him a challenge. I would like him to come with me some day to one of the supermarkets and to make a selection, a test, to see which of us could make the best choices. I really think we would both score fairly low on the totem pole. Perhaps the minister would come out ahead of me, I do not know. The hon. member for Peace River (Mr. Baldwin) has indicated that the minister has come a long way since he started. I know he would be very attentive to many details that might escape me, but I think both of us would do very badly in getting the best value and quantity in those packages. So, if he would like to do that some time after Christmas when his Christmas dinner has had a chance to settle and his new year celebration has become a pleasant memory, I shall be only too happy to have him accompany me to do that test.

Before this legislation goes through, I would like to see him convince himself that unit pricing is needed by consumers in this country to help them get the best value for their consumer dollar.

The Acting Speaker (Mr. Laniel): Order, please. It is my duty at this time to remind hon. members that if the Minister of Consumer and Corporate Affairs (Mr. Basford) speaks now he will close he debate.

Mr. Basford: I have just had a most engaging invitation from the hon. member for Vancouver-Kingsway (Mrs. MacInnis) to go tiptoeing through the supermarkets with her. I am not sure, with women's liberation, and one thing and another, who would supply the money, or whether it would be proper for me to supply the money.

Mrs. MacInnis: It would be fifty-fifty; dutch treat.

Mr. Basford: I am not sure what my wife would think of it all. It is not every day that I get invited for a date with such an attractive member as is the hon. member for Vancouver-Kingsway.

I will touch very briefly on a number of points that were made, first, by the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Howe). I appreciate what he had to say about hazardous products and their labelling and packaging. I know the hon. member has taken a great interest in the safe packaging of hazardous products, and I appreciated the comments he has made in the House over the years on this subject and the communications he has had with me. I think we have seen, in the last little while and we will see in the future, vast improvements in the area because we now have the Hazardous Products Act which deals with the sale, importation, packaging and advertising of products which are deemed hazardous or likely to be hazardous to the public. We are now taking steps by way of regulations and we will, as new designs and safer packages are developed, be able to regulate to ensure that products which are hazardous but still necessary are safely packaged so that the children of Canada are protected from them.

For example, just the other day we promulgated some regulations making it an offence to distribute a certain kind of very caustic cleanser from door to door by way of samples, because a particular firm distributing these samples had them slipped through the mail slot in the doors and children on the other side could pick them up and get seriously injured. We have now been able to pass regulations making that an offence. We have said that if people want to distribute this kind of product door to door they have to deliver the samples directly into the hands of the responsible householder. I appreciate the remarks of the hon. member for Wellington-Grey-Dufferin-Waterloo on this subject, and I can assure him we are anxious to take whatever action is appropriate under the Hazardous Products Act to deal with the subject.

He also spoke about consultation. I should like to assure him that both I and my officials throughout the course of the preparation of this bill have consulted with various groups, the ones he mentioned as well as consumer groups and organizations such as the Grocery Products Manufacturers Association. Let me say that these consultations are not for the purpose of getting their agreement to the legislation but rather so that I, and officials of the department as well as people in the business, may have an understanding of each others position and attempt to write reasonable legislation which deals effectively with the problems. There has been such consultation in the past, and I am sure it will continue in the future. They of course are free to appear before the committee, and I know they will, to make whatever points they wish. To the extent that they can convince me and members of the committee that changes should be made, of course, the legislation will be improved.

I want to say one thing about people appearing before the committee. Of course it is a little presumptuous of me to say that because it is up to the committee to decide whether or not it wishes to hear people. However, I would urge the committee to do so because I know that there are people, other than government witnesses, who want to be heard. I know that the hon. member for Vancouver-Kingsway, who will be a member of the committee, will urge that, and I hope the committee will decide to hear witnesses so that all points of view on this important piece of consumer protection legislation can be brought to the fore in the hearings of that committee.

May I say to the hon. member for Vancouver-Kingsway that I appreciate her complimentary remarks about the legislation, that it was dealing with a great many problems about which consumers have been complaining. I do not want at this point to get into an exhaustive discussion of the whole question of unit pricing, but let me say two things: from our point of view and the point of view of this legislation, there is a good deal more wrong with the U.S. truth-in-packaging legislation than simply the fact that it has left out unit pricing. The whole question of the proliferation, which is dealt with in Bill C-180, is far more effectively dealt with in Bill C-180 than it is in the U.S. bill. Perhaps, Mr. Speaker, I should not be commenting on the legislation of another country. But may I say, with respect to the hon. member, that it is an over simplification to suggest that all that is wrong with the United States legislation is that there is nothing in it with respect to unit pricing, and to suggest we have just copied the United States so our legislation has a big hole in it. The question is more complicated than that.

• (5:40 p.m.)

May I also say that we are not ignorant of this whole question of unit pricing. We have been following discussions on it extremely carefully. Officials of the department have gone to the city of New York, and I have visited with the Consumers Department in New York which is pioneering regulations in unit pricing. Officials of my office have made purchases in stores in Washington, D.C. which were being used experimentally to see how unit pricing worked. We have not written this into

the legislation for reasons which we will have to discuss in the committee.

May I also say that the object of the consumer movement, as it is the object of the department, is to make it possible for consumers to make rational choices, informed choices, and to enhance the comparability of competing products. I think we can help accomplish this with Bill C-180, and I am sure we will discuss exhaustively in committee the reasons unit pricing is not contained within the provisions of the bill.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

* * *

BUFFALO AND FORT ERIE PUBLIC BRIDGE COMPANY

AMENDMENTS RESPECTING BORROWING POWER AND TERMINATION OF JURISDICTION

The House proceeded to the consideration of Bill C-179, respecting the Buffalo and Fort Erie Public Bridge Company, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Allan J. MacEachen (for the Minister of Finance) moved that Bill C-179, respecting the Buffalo and Fort Erie Public Bridge Company, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs be concurred in.

Motion agreed to.

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

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

* * *

ANTI-DUMPING ACT

AMENDMENTS RESPECTING TRIBUNAL, INQUIRIES, REPORTS, ETC.

The House proceeded to the consideration of Bill S-6, to amend the Anti-Dumping Act, as reported (with an amendment) from the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Allan J. MacEachen (for the Minister of Finance) moved that Bill S-6, to amend the Anti-Dumping Act, as reported (with an amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

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

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

[Mr. Basford.]

LEPROSY ACT

PROVISION FOR REPEAL

Hon. Ron Basford (for the Minister of National Health and Welfare) moved that Bill S-7, to repeal the Leprosy Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, perhaps one of the ministers could take this opportunity to give a brief explanation of the bill.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, the purpose of this bill is to repeal the Leprosy Act which has really fallen into dissuetude, and is no longer required on the statute books of Canada.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we are happy to agree to the second reading of this bill at this time. We have done quite a good portion of work this Wednesday afternoon. Maybe we could get some other pieces of legislation through also.

Mr. Béchard: Old age pensions?

Mr. Knowles (Winnipeg North Centre): That is right. Maybe we could pass my amendment to retain the escalation clause with respect to the basic old age pension. However, I rose simply to say it is interesting to note that we have made sufficient progress in the field of health in Canada, so far as leprosy is concerned, that we do not need this legislation any more. It cannot be said that leprosy has been eradicated so far as the world scene is concerned, and I hope we will continue to make our contribution to the World Health Organization, and in other ways, towards needed improvement in health standards around the world. Meantime, it is good to note this forward step, and we are happy to agree to second reading of the bill.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

* * *

BUSINESS OF THE HOUSE

Mr. Knowles (Winnipeg North Centre): What about taking up item No. 27?

Mr. MacEachen: Mr. Speaker, I have consulted with the representative of the Official Opposition and at the moment it is not certain whether there might not be a wish to have discussion on this order, No. 27, which is to refer the trade agreement between Canada and New Zealand to the External Affairs Committee. So, in accordance with that expression of opinion I thought I would not call that item today.

There are no other items that I would like to call today because of the arrangements that have been made up to the moment, but I wish to say that tomorrow probably we will continue with the Old Age Security Act, and that any regulations that might impede the submitting of

amendments, or indeed the carrying of the bill to the third reading stage, might be waived so that, if we wish, we can complete the bill tomorrow.

As hon. members realize, there is a wish to dispose of the omnibus bill affecting various loans acts, and I would call this later in the week. Probably tomorrow we will begin with the Old Age Security Act, unless further consultation might lead to the conclusion that a very small amount of time would be spent in clearing that omnibus bill. In that event, I would call it first and then proceed with the Old Age Security Act, but that would not be done without further consultation.

• (5:50 p.m.)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I just thank the minister for not asking the House to proceed with the omnibus loans bill. One or two of our members who are interested in it are tied up in committee. After all, we have done pretty well today in dealing with six items of business. Perhaps with a good night's rest we might do a good day's work tomorrow.

Mr. MacEachen: Mr. Speaker, I should like to call it six o'clock.

Mr. Bell: Mr. Speaker, how can we have a good night's rest when we know it is the night for the annual Liberal party?

The Acting Speaker (Mr. Laniel): Does the House agree to call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): Order. It being six o'clock, this House stands adjourned until tomorrow at two o'clock p.m.

At 5.53 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, December 17, 1970

The House met at 2 p.m.

HOUSE OF COMMONS

TRIBUTES TO DR. MAURICE OLLIVIER, JOINT LAW CLERK AND PARLIAMENTARY COUNSEL, ON RETIREMENT—APPOINTMENT OF JOSEPH MAINGOT

Mr. Speaker: May I impart to the House the sad news that effective January 1 Dr. Maurice Ollivier will retire from the office of Joint Law Clerk and Parliamentary Counsel of the House of Commons.

On a brighter note, I am sure that hon. members will be pleased to know that Mr. Joseph Maingot will be promoted to succeed Dr. Ollivier. In the discharge of his previous responsibilities as Assistant Counsel, Mr. Maingot has earned the respect of all who have had occasion to seek his advice and guidance. We know that he will continue to serve members well in his new position.

At the same time, I am sure hon. members would want me to express their appreciation and gratitude to Dr. Maurice Ollivier who is leaving us after serving so many years in the high office of Parliamentary Counsel and Joint Law Clerk of the House of Commons. For close to half a century, Dr. Ollivier has dispensed knowledge and wisdom to generations of Members of Parliament, to political leaders, to successive Speakers.

[*Translation*]

His constantly alert intellect, his sound judgment and his dedication to duty made it possible for Dr. Ollivier to make his profound knowledge of parliamentary and constitutional law reliably and efficiently available to Parliament. His drive and his dedication both to hon. members and to the parliamentary institution itself were never found wanting.

In the course of his long career, Dr. Ollivier was able to adjust to all new situations. He possessed the ability to renew himself and to preserve his youth of spirit. Indeed, there has long been a suspicion that Dr. Ollivier has discovered the secret of perpetual youth and is jealously keeping it to himself.

Even after he leaves the House, he will therefore be able to pursue his professional and other activities with the same zeal and vigour that marked his work in the Parliament of Canada.

[*English*]

On behalf of the House, I reiterate to Dr. Ollivier the assurance of our gratitude for so many years of faithful service to the Parliament of Canada.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, perhaps I might be permitted a few words on this occasion as one who first came to this Parliament in 1957 but before that had the experience of sitting in the Parliamentary Press Gallery as far back as 1949. I will not recall all the events that have happened since or even some of them, but I should like to pay tribute on behalf of my party to Dr. Ollivier who has been a most excellent parliamentary counsel. We wish his successor, Mr. Maingot, well.

• (2.10 p.m.)

Having known the great Dr. Ollivier over the years and having had the advantage of seeing some of his treasure house of documents concerning events that have happened in Parliament but which have not necessarily been reported, I hope that Your Honour and others will see fit to approach the Canada Council so that some of the documents that Dr. Ollivier has assembled dealing with the events of state over the past 50 years may be published in printed form. Having seen some of these documents which have never been publicized before, I am aware that among them are some of the most revealing and certainly some of the most interesting recollections pertaining to the development of Canada as a nation that one could ever hope to see.

I wish Dr. Ollivier well in his retirement and also his wife, Blanche. I wish the new parliamentary counsel well. I hope Your Honour will give some consideration to the thought I have directed to you today.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, Your Honour has spoken so well on behalf of all of us that nothing needs be added, but on behalf of my party, I should like to re-echo most warmly everything you have said about Dr. Ollivier.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, from this corner of the House it is difficult for us to determine Dr. Ollivier's physical size, but nevertheless we have been able in the past to size him up from the standpoint of his efficiency, which, moreover, you have very well defined in your comments.

For the information of hon. members, Dr. Ollivier is a Quebecer, and members of the Ralliement Créditiste well recall that, in 1962, those among them who had no parliamentary experience were able to benefit from his wide knowledge and experience.

Should Dr. Ollivier have kept to himself the secret of eternal youth, we hope that his retirement will give him

the opportunity to write his memoirs through which we will be able to learn of his vast and varied experience as Law Clerk and Parliamentary Counsel of the House of Commons.

By the way, I believe that no one is better able than Dr. Ollivier to record for the enlightenment and pleasure of future generations the events which took place in Canada in the last 25 years.

[*English*]

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, we are grateful to you for bringing to the attention of the House of Commons this important event and for giving us the opportunity to express our admiration to Dr. Ollivier for the many years of outstanding service that he has rendered to the House of Commons. That he has been able to withstand the vicissitudes and controversies of this place for 40 years and still retain a youthful image that might be the envy of men much younger is no mean record.

I join with you, Mr. Speaker, and with the representatives of the other parties in thanking Dr. Ollivier for his services and express the wish that he will continue his contacts with all of us in future. I also express our good wishes to the new incumbent of the office, Mr. Maingot, in the expectation that he will be here 40 years hence and that the rest of us will also be here to express appreciation to him.

ROUTINE PROCEEDINGS

COMMITTEES OF THE HOUSE

NATIONAL RESOURCES AND PUBLIC WORKS

First report of Standing Committee on National Resources and Public Works—Mr. Hopkins.

REGIONAL DEVELOPMENT

Second report of Standing Committee on Regional Development—Mr. Morison.

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

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EXTERNAL AFFAIRS

TABLING OF INTERNATIONAL AGREEMENTS CONCLUDED BY CANADA

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have tabled in English and French a number of international agreements concluded by Canada over the course of the last 16 months.

[Mr. Rondeau.]

ORAL QUESTION PERIOD

TRADE

LACK OF SUPPORT FOR CONFERENCE ON REDUCTION OF TARIFFS—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce following the questions I directed to him the other day with regard to Canada's trade position. In view of the lack of support by Prime Minister Heath yesterday for another general conference on the reduction of tariffs at the present time, is the government simply going to continue to push for this kind of consultation despite the lack of support from the United States, the European Common Market and Great Britain, or is a new approach being considered in view of these rejections?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I am surprised that the Leader of the Opposition is not aware of the fact that in Europe and the United States the views that I expressed the other day in answer to some of his questions have also been expressed. They are not so extraordinary as to be the exclusive property of the Canadian government. These views are shared by a number of political leaders throughout the world. I have already indicated that among many others, the Director General of GATT supports some of these same concepts. I would not like to say who first expressed these views, but they are so much in the long term interests of the world that it was quite normal that they should be shared by a great number of people.

Mr. Stanfield: Are we to understand that the minister is not considering a different approach despite the rejection of the initiative on the part of the Secretary of State for External Affairs, if one can dignify it in that way? When the minister spoke of bargaining power in connection with these matters, particularly with relation to the Common Market, what did he mean? What is this bargaining power and when does he propose to exercise it?

Mr. Speaker: Order, please. I hope the minister's reply will be brief. I would not think he should give an extended explanation of what he may have said or may have wanted to say. Perhaps the minister would co-operate with the Chair by making a brief reply to the rather general question asked by the Leader of the Opposition.

Mr. Pepin: It is obvious that Canada is a major world trading power, with $17 billion in exports and more than $14 billion in imports. The import market represents a market to which Europe, the Common Market, the United Kingdom and other countries are certainly not indifferent. This means something in international conferences and negotiations.

Mr. Stanfield: Since it is apparent that the minister and his associates are simply making gestures which are not leading to any response, will the minister consider asking his colleague, the Minister of Energy, Mines and Resources, to go to Europe on a speaking tour to see what he can do?

Mr. Speaker: Order, please.

OIL

INVESTIGATION OF INCREASE IN PRICE OF CRUDE—REQUEST FOR TWO-PRICE SYSTEM—ACCESS TO UNITED STATES MARKET

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I direct a question to the Minister of Energy, Mines and Resources arising out of the fact that three of the leading oil companies have now increased the price of crude oil by 25 cents a barrel following the example of the oil companies in the United States. Since representatives of these oil companies have indicated that the increase is not due to any increase in costs—as a matter of fact oil company profits increased in the first nine months of this year—but is due to the fact that the oil companies are following the example of oil companies in the United States, may I ask the minister whether his department intends to take any action with respect to this increase and, in particular, whether the National Energy Board has this question under study and has made any recommendation to him regarding it?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): The hon. member may not be aware that in Canada it is the buyer who fixes the price for oil. The buyers are paying more for crude oil now and hence their profits will diminish, if anything, rather than increase. The change should, of course, increase the profits of the producers. As far as any review of this matter is concerned, there is no review under way. I might point out that with respect to crude prices there has been no increase since 1962, so I think this industry has been very responsible in showing price restraint. Any increases that have been made have been the result of taxation by provincial governments, not of increased product prices.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I do not think that is so. The minister seems to have forgotten the increase in the prince of gasoline that took place only a few months ago.

In view of the fact that the oil companies will now make an additional $350,000 a day as a result of this price increase, and since the government has already set a two-price system for gas and as the Minister of Industry Trade and Commerce has set a two-price system for copper—

Mr. Speaker: Order, please. Perhaps the hon. member would proceed to ask his question. We are reaching the point of argument now.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Will the minister give consideration to setting a two-price system for oil so that Canadian prices will not automatically be established in terms of United States prices as is apparently the case now?

Mr. Greene: No contemplation is being given to a two-price system for oil, but I would point out to the hon. member with respect to his political claims in this regard that we would sell no oil at all in the United States market if it were a completely open market. It is a highly protected market, a market protected at the expense of United States consumers, and access to that market is certainly a great opportunity for Canadian oil producers.

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I ask the minister, then, precisely what are the arrangements concerning access to the United States market? Are there still to be quotas with importers of Canadian oil allowed to use their overseas allotment to buy Canadian oil, or is there to be unimpeded access to the United States market during 1971?

Mr. Greene: As indicated subsequent to our meetings with our United States counterparts in this regard, we are moving toward an open market. We are still under restrictions, of course, but the market has improved at the rate of some 15 per cent a year. I believe the communiqué issued subsequent to our meetings indicated we would be moving to the full pipeline capacity available in Canada during 1971, and I think this is evidence of a continually improving market to the benefit of Canadian producers.

Mr. Speaker: The Chair will recognize the Leader of the Opposition on a supplementary question but I wonder whether we might not give some thought to trying to limit supplementaries on the first questions each day. It has been our experience in recent weeks, more so from day to day, that if there are many supplementaries on the first two or three questions most of the question period is spent on these lead-off questions. I would think it might be helpful to those hon. members not seated in the first or second rows if we were to limit supplementaries at the beginning of the question period.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I rise not to attack the minister nor to defend the provincial governments but to ask him whether he would check the statement he made that there have been no increases in the retail prices of oil products, as I understood him to say, since 1962 other than those to compensate for increases in provincial taxes?

Mr. Greene: Mr. Speaker, I would be pleased to check that statement but it is my understanding that since 1962 there have been no increases. If that is not correct, I will inform the hon. member.

* * *

[*Translation*]

NATIONAL SECURITY

ALLEGED INFILTRATION OF UNITED STATES COMMUNIST PARTY INTO CANADA

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to address a question to the Minister of Justice.

Can he state whether his department is aware of and inquiring about present infiltration into Canada by the American Communist party which, with the help of outstanding Canadian personalities, publishes documents tending to undermine Canadian democracy and unity?

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a supplementary question.

Mr. Speaker: Does the hon. member for Abitibi wish to ask a supplementary?

Mr. Laprise: Yes, Mr. Speaker.

I wish to ask the Minister of Justice whether he has any knowledge of evidence heard by the Senate sub-committee on internal security, as well as of reports and laws concerning security in the United States which were the subject of a study under the direction of Senator James O. Easland? Does he intend to get himself acquainted with these in order to find out what does take place in Canada regarding infiltration by the Communist Party?

Hon. John N. Turner (Minister of Justice): I shall read this report, Mr. Speaker.

* * *

[*English*]

NATIONAL DEFENCE

SUITABILITY OF CF-5 PLANES FOR CANADA'S ROLE IN NATO—NUMBER IN USE, IN STORAGE AND TO BE DELIVERED

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of National Defence. The minister advised the House on October 5 that he was immediately sending some CF-5 planes to Europe for testing to see whether they would fit in with our NATO role and thus be available for use in that role. Has the minister found out as a result of his latest trip whether these planes are suitable for this role, and can he advise the House how many of them are going to be used?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, the aircraft sent at that time were tried in the central European area and went through a number of tests. They are now at a holding base in Europe. We also plan to put them through similar tests in what is called the northern tier of the alliance, probably some time in the new year when arrangements can be made with the local authorities, and very likely when we will be having a battalion battle group exercise in the northern tier. So evaluation is taking place both with regard to their use on the central European front and in the northern tier, but this evaluation has not yet been completed.

Mr. Hees: Can the minister advise the House how many of the 115 original CF-5 planes were placed in storage as a result of the fact that the original order was not cancelled, even though our United Nations role was cancelled some two years ago? How many of these aircraft are still in storage in Canada?

Mr. Macdonald (Rosedale): As of November 15, Mr. Speaker, there were 57 in various types of operational use, there were 22 in temporary storage, and there are 36 yet to be delivered in Canada.

AIR REFUELLING CAPABILITY OF CF-5 PLANES

Mr. J. M. Forrestall (Dartmouth-Halifax East): I have a supplementary question, Mr. Speaker. How many of these CF-5 aircraft have been converted to accept an air refuelling capability?

[Mr. Laprise.]

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, my recollection is that none of them at this moment have been. At the present time two of the C-137's, the 707's, are in the hands of the manufacturers for conversion to air refuelling capacity.

Mr. Forrestall: Could the minister indicate whether or not it is the policy of the department to convert these aircraft in light of the conversion program being carried out on the 707's?

Mr. Macdonald (Rosedale): Yes, that would be the intention. I speak subject to correction, but I do not think that the CF-5 aircraft require too extensive a modification for this purpose.

METHOD OF PURCHASE OF CF-5 AIRCRAFT

Mr. R. E. McKinley (Huron): Will the Minister of National Defence say whether tenders were called for the purchase of these CF-5 aircraft from Canadair?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, as has been the case in respect of the vast majority of aircraft purchased by the Department of National Defence over a number of years the purchase contract was negotiated. This has been the procedure with aircraft contracts so they can be manufactured in Canada rather than purchased abroad.

* * *

NATIONAL CAPITAL

EFFECT ON OTTAWA OF CNR REDUCTIONS OF EMPLOYEES, FACILITIES AND OTTAWA-MONTREAL SERVICE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask the Prime Minister a question, knowing that he is as interested as all his predecessors were in ensuring that the city of Ottawa is a capital city worthy of Canada. Will he look into the reduction of airline employees by some 33 per cent in Ottawa and the removal of certain of its facilities here? At the same time, will he give his attention to the announced intention of the CNR to downgrade the four Ottawa-Montreal runs and to discontinue the dining and parlour car services between Ottawa and Montreal effective February 1? Transportation is very material and necessary, and what is being done will result in making Ottawa a "tank town" as far as transportation facilities are concerned.

Mr. Speaker: Order, please.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would be pleased to refer this matter to the Minister of Transport and discuss with him any suggestions he may have.

Mr. Diefenbaker: Will the Prime Minister take a stand on this matter in order to assure that the city of Ottawa shall not be sacrificed in respect of transportation facilities? That is what I asked but apparently he does not agree to do so.

HEALTH

REPORTED HAZARDS OF SHELL VAPONA INSECTICIDE STRIP

Mr. Barry Mather (Surrey): Mr. Speaker, I have a question to direct to the attention of the Minister of National Health and Welfare or the Minister of Consumer and Corporate Affairs. Can either minister indicate whether an inquiry or study is being made at this time into the reported health hazards of the household insecticide-killing strip produced by the Shell Oil Company, the Vapona strip?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, actually the question should have been referred to the Minister of Agriculture under whose jurisdiction the control of pesticides falls. Very extensive tests of this product are being conducted in consultation and co-operation with my department and the Department of National Health and Welfare.

Mr. Mather: Can the minister indicate when the results of such tests might be available?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we are sending out a press release today and I would be happy to send a copy to my hon. friend.

* * *

[*Translation*]

AIRPORTS

STE. SCHOLASTIQUE—EXPROPRIATION OF LAND

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I should have like to put a question to the Minister of Transport, but since he is away I shall direct it to the Minister of Regional Economic Expansion.

We have learned that as a result of land expropriation for the construction of the airport in Ste. Scholastique, a great number of farmers, that is about 600, suffer serious prejudices as their rights are being encroached upon. I have also learned that they made some representations to the government in November, but that they have not yet obtained an answer. Could the minister tell us when and how the government intends to solve their problems?

Hon. Jean Marchand (Minister of Regional Economic Expansion): I will be pleased, Mr. Speaker, to pass on the question to the Minister of Transport.

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

In view of the urgency of the matter, could the hon. minister ask the Minister of Transport to make a clear and precise statement on motions about the government's position in that regard?

Mr. Marchand (Langelier): I shall also refer that question to the minister, Mr. Speaker.

Inquiries of the Ministry

[*English*]

GRAIN

PRESENCE OF WEEVILS OR MITES IN WHEAT SHIPMENTS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, the other day the Minister of Agriculture indicated to the House that he had received no complaints from foreign buyers in respect of rusty beetles in grain. Since he chose to be technical, has he had any complaints about weevils, mites or any other contamination in grain shipped to other countries? If he has, would he indicate which countries they are and how extensive the contamination was?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, there have been some complaints and, indeed, even some claims based on these complaints. I should advise the House that this is not the first time this has happened, and indeed they have not been much greater this year than in previous years. I will be glad to give the hon. member the other details as to the countries and the number of cargoes as soon as I have them.

Mr. Korchinski: Since it appears that the inspection is at fault here, is the government prepared to accept the responsibility?

Mr. Olson: Mr. Speaker, the inspection service is not at fault.

* * *

[*Translation*]

TRADE

REQUEST FOR STATEMENT BY MINISTER OF ENERGY, MINES AND RESOURCES ON TRIP TO JAPAN

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I wish to put a question to the hon. Minister of Energy, Mines and Resources.

Will he soon report on motions about his trip to Japan?

[*English*]

[*Later:*]

Mr. Speaker, perhaps the minister did not understand my question. I simply asked for a statement on motions in respect of his recent trip. Would he make such a report?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I had not contemplated making such a statement, but as the hon. member has indicated interest I will consider his proposition.

* * *

CRIMINAL CODE

ABORTION—INQUIRY AS TO AMENDMENT IN LIGHT OF REPORTED ILLEGAL OPERATIONS IN QUEBEC

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, has the Minister of Justice received the report of le Centre de Planning Familial du Québec which estimates that during the past 12 months between 10,000

and 25,000 illegal abortions took place in the province of Quebec compared with 181 legal abortions?

Mr. Speaker: Order. I am wondering whether it is sufficient merely to ask whether a minister has received a report. Perhaps the hon. member might like to rephrase her question.

Mrs. MacInnis: Yes, Mr. Speaker, I will rephrase it and ask a supplementary. In view of the report of le Centre de Planning Familial du Québec to the effect that during the past 12 months there have been an estimated 10,000 to 25,000 illegal abortions in that province compared with 181 legal abortions, when does he intend to change the law to permit women to obtain legal instead of illegal abortions?

Mr. Speaker: Order, please. I have the impression this question has been asked on a number of occasions. If the minister feels he has anything to add to his earlier answers he might be allowed to reply now.

Hon. John N. Turner (Minister of Justice): I have nothing to add, Mr. Speaker, except to say I cannot accept the preamble to the report, which I have not read, but because of the insistence of the hon. lady I will read the report.

* * *

[*Translation*]

HIGHWAYS

MONTREAL—EAST-WEST AUTO ROUTE—DISCUSSIONS BETWEEN OTTAWA AND QUEBEC

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Secretary of State.

Can he tell the House whether there have been official negotiations between his department and the Quebec Roads Department with regard to the construction of East-West Expressway in Montreal?

Hon. Gérard Pelletier (Secretary of State): No, Mr. Speaker, there have been no official negotiations. So far, there have only been unofficial talks through third parties.

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[*English*]

LABOUR RELATIONS

ASSISTANCE IN CONTRACT NEGOTIATIONS BETWEEN RAILWAYS AND UNIONS TO AVOID INTERRUPTION OF GRAIN SHIPMENTS

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, in view of the critical importance of uninterrupted shipments of grain at this time, what steps, if any, is the Minister of Labour taking to assist in the current negotiations between the railways and the unions?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, at the request of both parties we have placed at their disposal the efforts of Mr. Kelly and Mr. Gibbons of our special mediation department. I am very encouraged that the request has come from both management and labour. This indicates that both sides are approaching collective bargaining in the right spirit.

POST OFFICE

RESTORATION OF SATURDAY MAIL DELIVERY IN LIGHT OF MASS MEDIA REPORT

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Postmaster General of Canada. In light of the searing but sensible strictures against the abolition of Saturday mail delivery made by the Davey Committee, can he advise whether steps are in progress or in contemplation to accept the findings of this careful study and to restore to Canadian people six-day mail delivery?

Hon. Eric W. Kierans (Minister of Communications): Mr. Speaker, my colleague will undoubtedly answer that question tomorrow.

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DRUGS

PROPOSED INTERNATIONAL PROTOCOL—AUTHORITY OF CANADIAN DELEGATES TO CONVENTION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, over the past week we have asked the Minister of National Health and Welfare to clarify the relationship between Canada's participation in the Geneva protocol and the Le Dain Commission. I am afraid we have not received the assurance we would like. May I therefore—

Mr. Speaker: Order, please. The hon. member should ask his question.

Mr. Rynard: Mr. Speaker, I will reword the question. Can the minister now state what our commitment at the conference will be, and can he assure the House that Canada will not sign the protocol?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, as I have already indicated to the hon. member, the intention of the Canadian government is to listen and participate in the discussion and to do nothing that will prejudge its position prior to receiving the final report of the Le Dain Commission.

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LABOUR CONDITIONS

SUGGESTED PROVISION OF JOBS IN PUBLIC SERVICE FOR FORMER LAPALME EMPLOYEES

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is directed to the Prime Minister. In honour of the Christmas season, would the Prime Minister use his good offices to settle the Lapalme issue by restoring these workers to civil service jobs with full seniority rights? It is mighty cold outside.

Mr. Speaker: The hon. member for York South.

EXTERNAL AFFAIRS

PROPOSED SALE OF ARMS BY BRITAIN TO SOUTH AFRICA—IMPORT OF DISCUSSIONS BETWEEN CANADIAN AND BRITISH PRIME MINISTERS

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Prime Minister whether in his conversations with the Prime Minister of Great Britain yesterday he was able to persuade the British Prime Minister to change his government's position with regard to the sale of arms to South Africa?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I had these very interesting discussions with the Prime Minister of Great Britain. I did not demand of him an expression of what his final position would be. I just pleaded with him that it would be in the interests of all of us if we went to Singapore and had these meetings at which the representatives of all countries would be free to express their views and at which, hopefully, an accommodation could be found which would keep the Commonwealth alive and healthy.

Mr. Lewis: In view of the fact that three leaders of African nations are reported to be considering whether they should attend the conference as a result of Mr. Heath's statement in Ottawa yesterday, was the question of representation at the conference discussed with Mr. Heath and has the Prime Minister found it desirable to take any steps to persuade the African leaders to come to Singapore despite Mr. Heath's statement?

Mr. Trudeau: The information we have in respect of any such statements by African leaders is purely that contained in news reports. We have no direct news that they in fact did say what they are alleged to have said. The House knows that I did have Professor Head visit them last week in order to advise them of the Canadian viewpoint. Indeed, after my meeting with Mr. Heath, last night I also communicated again with President Nyerere expressing the hope that the result would be that which I mentioned in answer to the first question.

* * *

CANADIAN BROADCASTING CORPORATION

PERSONAL ATTACKS ON VISITING DIGNITARIES

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Secretary of State. Would the Secretary of State communicate with the Canadian Broadcasting Corporation and request that organization to avoid in future, vicious, personal attacks on visiting dignitaries such as took place this morning, immediately following the news broadcast, with reference to the Prime Minister of Great Britain?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I am quite willing to look into the allegations of the hon. member and convey his concern to the administration of the CBC.

Inquiries of the Ministry

[*English*]

POWER

INVESTIGATION OF USE OF BAY OF FUNDY TIDES

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Is the minister in a position today to indicate the action within his department concerning their studies of the power potential of the Bay of Fundy tides?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member was kind enough to give me notice of the question yesterday and I have inquired into the matter. I find that the report of the Atlantic Tidal Power Programming Board was made in October, 1969, and at that time the conclusions were that the tidal power did not come within economic range. The report has been under review since that date and is continually under review, but factors have not so changed, since October 1969 as to render the conclusions any different now.

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BROADCASTING

PROVISION OF SECOND TELEVISION CHANNEL IN SYDNEY, N.S.

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Secretary of State. In light of the fact that at this season of the year people usually are in a more generous mood than on other occasions and in the hope that the minister is one of these people, may I ask him if he is in a position to provide an answer today to my numerous queries and representations regarding the necessity for a second television channel for Cape Breton?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I did inquire about this but I can change my answer to the hon. member only as far as this: for some time I have been telling him "in a few weeks from now". Today, I am telling him "in a few days from now".

[*English*]

Mr. Muir: Mr. Speaker, I wonder whether the minister is aware that I am hopefully expecting an announcement to be made on that subject this afternoon.

[*Later:*]

TELEVISION COVERAGE IN NORTHERN NOVA SCOTIA

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a supplementary question for the Secretary of State. Is he in a position to indicate what action will be taken in respect of television coverage for northern Nova Scotia?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): No, Mr. Speaker, but I can inquire about this.

Inquiries of the Ministry

[*English*]

POWER

SKAGIT RIVER—DECISION BY SEATTLE CITY COUNCIL TO PROCEED WITH PROJECT—GOVERNMENT ACTION

Mr. Randolph Harding (Kootenay West): Mr. Speaker, this question is addressed to the Secretary of State for External Affairs. In view of the fact that the Seattle City Council voted last Monday to proceed with the power project which will result in the flooding of the Skagit River valley, can the minister state what federal action is contemplated to stop this project from proceeding?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Not yet, Mr. Speaker.

* * *

[*Translation*]

CANADIAN FILM DEVELOPMENT CORPORATION

GRANT FOR PRODUCTION OF FILM "DEUX FEMMES EN OR"—PAYMENT OF FEES TO MICHEL CHARTRAND

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question I wish to ask the Secretary of State.

Considering that he is the minister responsible to Parliament for the Canadian Film Development Corporation which subsidized the production of the motion picture entitled "Deux femmes en or", and considering that in this picture Michel Chartrand gives an outrageous portrayal of the Canadian judiciary, is the Secretary of State in a position to assert before this House that the Corporation has now paid Michel Chartrand's fees for the part he played?

* * *

[*English*]

GRAIN

RETENTION OF TEMPORARY WHEAT RESERVES ACT

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Minister of Manpower and Immigration who is responsible to the House for the Canadian Wheat Board. Now that it has become generally apparent that farmers and farm organizations insist that the Temporary Wheat Reserves Act remain in effect, will the minister give the House the assurance that this in fact will be the case?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, once again the premise of the hon. member is wrong. I have had meetings with producers and producer organizations as recently as yesterday. We discussed the proposals we have put forward and their priorities in respect of the kind of things which should be done. We will be proceeding with the development of these proposals in the future.

[Mr. Pelletier.]

INSTITUTION OF STABILIZATION FUND PROPOSAL ON VOLUNTARY BASIS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, having regard to the recommendation outlined in the task force report on agriculture, in which it is stated that the grain stabilization proposal should be instituted on a voluntary rather than on a compulsory basis, has the minister responsible for the Wheat Board considered proceeding with such a program on a voluntary basis?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Generally speaking, the representatives of the farmers and farm groups have not suggested a voluntary basis for the program, which would in fact make it more difficult to operate. Indeed, the representations in respect of the stabilization fund have tended to be to extend its operation so that it covers more grain for more farmers.

PRODUCTION AND RECEIPTS POLICY—ACCEPTANCE OF MANITOBA AND SASKATCHEWAN WHEAT POOL PROPOSALS

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, in view of the opinions expressed by the Saskatchewan Wheat Pool and the Manitoba Wheat Pool and the specific changes they are requesting in the ministers' proposals, is the minister going to accept any of these proposals or make any modifications to the plan in light of these requests?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, representatives of those organizations were included in the meetings held yesterday and as a result of those meetings we are considering the development of the proposals as I indicated earlier. I am not sure I know what particular proposals the hon. member may be referring to since there a number of different sets in respect of the proposals as a whole.

SPREAD IN RAPESEED PRICES—UNDERTAKING BY WINNIPEG GRAIN EXCHANGE TO CORRECT SITUATION

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I have a question for the minister in charge of the Wheat Board. In view of the statement he made in the House a few days ago and the question I asked him in respect of rapeseed futures and the manipulation that was going on in the market, can he now tell us whether he has received any undertaking by the Winnipeg Grain Exchange to correct the situation that has existed?

Hon. Otto E. Lang (Minister of Manpower and Immigration): I have nothing to report to the House at this time, Mr. Speaker.

Mr. Gleave: As a supplementary—

Mr. Speaker: Order. I will return to the hon. member in a moment. The hon. member for Sainte-Marie.

[*Translation*]

HIGHWAYS

MONTREAL—EAST-WEST AUTO ROUTE—DISCUSSIONS BETWEEN OTTAWA AND QUEBEC

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to put a question to the Minister of Public Works.

Could the minister tell us whether or not, as a result of the recent personal intervention of the hon. member for Hochelaga against the proposed construction of the East-West highway in Montreal, the federal government will help with the lay-out of this highway or its construction, or will the remarks of the hon. member for Hochelaga preclude the federal government from contributing to this project?

Mr. Speaker: Order, please. I do not think the question put in these terms is in order.

* * *

COMMUNICATIONS

SUBJECTS DISCUSSED BY FEDERAL AND QUEBEC MINISTERS

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to direct a question to the Minister of Communications.

In view of the meeting the minister has held over the last week-end with his Quebec counterpart, could he expose briefly the major subjects which have been discussed on that occasion and whether the ministers came to an agreement on any of them?

Hon. Eric W. Kierans (Minister of Communications): Mr. Speaker, there is nothing to be said in this regard, ecxept that it was only a meeting between two people with common interests in some areas.

* * *

[*English*]

GRAIN

REQUEST FOR STATEMENT ON RAPESEED FUTURES MARKET AND CEREAL GRAINS PROGRAM

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, this question is directed to the minister in charge of the Wheat Board. In view of the paucity of information that we have been getting from the minister in reply to questions in the House—

Mr. Speaker: Order, please. The hon. member has been recognized for the purpose of asking a supplementary question.

Mr. Gleave: At an early date will the minister make a statement on motions in regard to the futures market for rapeseed and in regard to the cereal grains program which he has under way?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I will certainly continue to try to keep the House as fully informed as possible, and make a statement when I have something to add to the information I have given.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I wish to ask a supplementary question. In light of the pamphlet put out by the minister responsible for the Wheat Board dealing with its new grain policy—

Mr. Basford: Is that the Gallup poll you are quoting?

Mr. Korchinski: This is the official document—

Mr. Basford: Oh, I thought it was the Gallup poll.

Mr. Korchinski: —in which he said that any attempt to break new land would be discouraged, has he the approval of the Minister of Regional Economic Expansion for that statement?

Mr. Speaker: Order, please. The hon. member for Yorkton-Melville.

Mr. Korchinski: May I rephrase the question?

Mr. Speaker: Obviously the question is not acceptable and it is not possible to ask a supplementary to a question which is not in order.

Mr. Korchinski: I asked whether I might rephrase it.

Mr. Speaker: I will return to the hon. member before the question period is over.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT—RE-INTRODUCTION OF WINTER WORKS PROGRAM

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. In view of the fact that nine Liberal MP's from Ontario yesterday called for the resumption of the federal government's winter works program, is the government now giving consideration to resuming this program?

Mr. Speaker: Order, please. The question is asked in the form of an argument, and when asked in this way is not in order. The hon. member might like to rephrase the question without the preamble.

Mr. Nystrom: In view of the high unemployment rate in Canada, is the government now giving consideration to re-introducing the winter works program?

Right Hon. P. E. Trudeau (Prime Minister): I have answered this question many times, Mr. Speaker.

Inquiries of the Ministry

[*Translation*]

HOUSING

APPLICATION OF LOW-RENT HOUSING PROGRAM TO SMALL TOWNS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to put a question to the Minister without Portfolio in charge of housing.

Could he tell the House whether the $200 million program for the construction of low rental housing is giving satisfactory results and does he intend to renew that program for 1971 and to apply it in small towns?

[*English*]

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, the $200 million innovative program of 1970 produced many benefits and we are in the process of evaluating them. I would not claim that everything we did under that program was perfect, but I think it was generally effective. It is our intention to continue into 1971 with a comparable approach, although not necessarily identical to the one of 1970.

* * *

HEALTH

HOSPITALIZATION PLAN—MODIFICATION OF FEDERAL GOVERNMENT REQUIREMENTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to ask the Minister of National Health and Welfare whether, in view of the discussions going on with the provinces in regard to a more flexible method of financing the hospital plan, the government of Canada is now prepared to modify any of the original basic requirements laid down by the federal government? I think there were four basic essential conditions. Is the federal government now modifying any of the four essential conditions in order to promote more flexible methods of financing?

Hon. John C. Munro (Minister of National Health and Welfare): No, Mr. Speaker.

* * *

FINANCE

SUGGESTED GREATER INCOME TAX EXEMPTIONS PER CHILD FOR PEOPLE LIKELY TO BE DEPRIVED OF FAMILY ALLOWANCES

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, in view of the roster system my question would normally be directed to the Minister of Finance on Monday, but because of the urgency I must now direct it to the right hon. Prime Minister. Will the government not compensate, by greater income tax exemptions per child, those people who are likely to be deprived of family allowances?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government has made its views known on this in the white paper, and we are obviously open to representations from all parts of the country on this matter. If the hon. member wants to make an argument on this case and find the funds for it, we will hear him gladly.

[Mr. Trudeau.]

[*Translation*]

HIGHWAYS

MONTREAL—EAST-WEST AUTO ROUTE—DISCUSSIONS BETWEEN OTTAWA AND QUEBEC

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to direct my question to the Minister of Public Works, so that it will be more in accordance with our Standing Orders and more acceptable to the Minister.

Can he say whether the government intends to change the lay-out of the East-West highway in Montreal or to have it changed, following objections raised by the Secretary of State, the hon. member for Hochelaga?

Mr. Speaker: I do not think that the hon. member may phrase his question in this manner. If he wants merely to put it, without the corollary, I think that it would be more in order. Anyway, the minister may want to answer it.

[*English*]

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, the minister is not particularly anxious to answer. The program for the Trans-Canada Highway closes on December 31 this year, and any projection or announcements made by the province of Quebec would be on its own responsibility. I think any question with regard to any involvement on our part should more properly be addressed to my hon. friend, the Minister of Regional Economic Expansion.

[*Translation*]

Mr. Valade: Mr. Speaker, could I avail myself of the opportunity offered by the Minister of Public Works and ask the Minister of Regional Economic Expansion if the lay-out suggested by the province of Quebec will definitely be accepted by the federal government?

Hon. Jean Marchand (Minister of Regional Economic Expansion): I am not aware of what the lay-out will be, Mr. Speaker. I am going to inquire and I might be able to reply later.

* * *

[*English*]

LABOUR CONDITIONS

SUGGESTED PROVISION OF JOBS IN PUBLIC SERVICE FOR FORMER LAPALME EMPLOYEES

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, on a point of order—

Mr. Speaker: Is the hon. member rising on a point of order?

Mr. Paproski: Yes, Sir.

Mr. Speaker: The Chair will recognize the hon. member on a point of order, but we have reached the end of the question period.

Mr. Paproski: Mr. Speaker, about 20 minutes ago I asked the Prime Minister to indicate whether he would do something for these poor people outside the building so they could go back home to their families for Christmas, but the Prime Minister would not indicate one way

or the other. I should like some indication. It is awfully cold out there and they really want to go home.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the men were out there last summer when it was very much warmer at a time when the government had offered them all jobs in the public service. I hope the hon. member will remember this, and perhaps talk to them and remind them of it. I can add, if the House is interested, that the subject has been under review by the government, and the Postmaster General is authorized to have a further discussion and make a final offer to them within the next few days.

Mr. Speaker: Orders of the day.

* * *

PENITENTIARIES

INCARCERATION OF YOUTHS CONVICTED OF NON-CAPITAL MURDER IN PRINCE ALBERT INSTITUTION RATHER THAN COMMON JAIL

Right Hon. J. G. Diefenbaker (Prince Albert): On a point of order, Mr. Speaker, yesterday I asked the Minister of Justice a question affecting the freedom and the rights of certain persons from Calgary who are in Prince Albert penitentiary pending the outcome of their appeal. The minister has been trying repeatedly to get your eye, and I understand the difficulty, but could there be an extension of the question period so he can answer?

Mr. Speaker: Order, please. The minister did get the eye of the Speaker but I was trying to accommodate as many hon. members as possible. The Minister of Justice has had his opportunity on a few occasions today to show his wisdom and knowledge, but if the House agrees, he might be allowed to reply to the question asked by the right hon. gentleman.

Some hon. Members: Agreed.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, because of the point of order on which you ruled in favour of the hon. member for Cape Breton-East Richmond yesterday, I have not been able to bootleg in some answers today. However, in answer to the right hon. gentleman, I did get a report from the penitentiary service about a question he put to me yesterday. I am not satisfied with that answer, and I intend to communicate with the right hon. gentleman when I get an answer that satisfies me and, I hope, satisfies him.

Mr. Diefenbaker: Mr. Speaker, may I ask a supplementary question. Can the minister find out whether an arrangement was made between the government of Alberta and the government of Canada to allocate these prisoners to the Prince Albert penitentiary while they await the result of an appeal, which in my opinion is a totally callous and unjustifiable action?

Inquiries of the Ministry

LABOUR CONDITIONS

UNEMPLOYMENT—REQUEST FOR STATEMENT BY MINISTER OF MANPOWER AND IMMIGRATION ON MEASURES TO BE TAKEN

Mr. Don Mazankowski (Vegreville): On a point of order, Mr. Speaker, in the interest of the orderly conduct of the business of the House, I wonder if I might be permitted to ask the Minister of Manpower and Immigration a question arising out of the debate on Tuesday last respecting the alarming increase in unemployment among our young people—

Mr. Speaker: Order, please. I trust a question will not be asked as a point of order. The question period expired some minutes ago. If hon. members are allowed, to use the word of the Minister of Justice, to "bootleg" questions after the question period, I think we will get into difficulty. If the hon. member has a legitimate point of order I will hear it so he may indicate what the point of order is.

Mr. Mazankowski: My point of order, Mr. Speaker, is to ask the Minister of Manpower and Immigration if he intends to make a statement prior to the adjournment of the House respecting any positive measures to be taken by the government—

Mr. Speaker: Order, please. That is not, of course, a point of order. However, the member having asked the question, if the minister wishes to reply I shall then call orders of the day for the third time.

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I have no plans for a statement on motions.

Mr. Stanfield: You don't have any plans—period.

Mr. Speaker: Order, please. I understand the hon. member for Peace River is rising on what I gather will be a legitimate point of order.

* * *

BUSINESS OF THE HOUSE

Mr. Baldwin: My point of order is legitimate and not bootleg, Mr. Speaker, I should like to ask the Government House Leader about the business for today and tomorrow, and if he can divulge his Christmas plans so that we may make ours accordingly?

Mr. MacEachen: Mr. Speaker, we intend to call the Old Age Security Act as the first item of business today. If we make good progress on that, we will also call the omnibus loan bill today and maybe ask consent to clear the report stage of the Emergency Gold Mining Assistance Act. I know this depends upon the good will of my hon. friend and others.

Tomorrow, we hope to begin consideration of the Regional Incentives Act. As my hon. friend is aware, that

will require consent, in order to waive the notice provisions, which I shall be asking from the House at a later date. I propose to call the motion tomorrow providing that the House will adjourn when we return from the Royal Assent for the supply bill and any other measures. We will return on January 11. My expectation is that we can adjourn tomorrow as planned, and that we can clean up all the business that we had foreseen as possible earlier in the week.

In making that expectant comment I should like to express my appreciation of the co-operation received, and my expectation of further co-operation later in the day.

Mr. Speaker: Order, please. Is the hon. member rising on a supplementary point of order? I suggest to hon. members that actually the point of order raised by the hon. member is really a question, and perhaps we should try to have it brought in as a question during the normal question period, rather than as a point of order six or seven minutes after the question period has expired. I would think that any supplementary question and supplementary answer might give rise to a debate which would not be very helpful at this time.

GOVERNMENT ORDERS

OLD AGE SECURITY ACT

AMENDMENTS RESPECTING AMOUNT OF PENSION, MAXIMUM SUPPLEMENT AND ESCALATION THEREOF

The House proceeded to the consideration of Bill C-202, to amend the Old Age Security Act, as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: Before putting the first motion in the report stage of the bill now up for consideration, I should like to indicate that the Chair has reservations and misgivings about the procedural acceptability of motion No. 2 in the name of the hon. member for Portneuf (Mr. Godin) and motion No. 4 in the name of the hon. member for Simcoe North (Mr. Rynard).

It seems that both motions propose to introduce financial provisions which go beyond the terms of the royal recommendation. I shall be pleased to hear argument in connection with these two motions, however, before a ruling is made on this procedural standpoint.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker—

Mr. Speaker: Does the hon. member for Lotbinière want to clarify for the Chair the motion of the hon. member for Portneuf?

Mr. Fortin: Mr. Speaker, with your permission, I would like, as briefly as possible, on behalf of my colleague for Portneuf (Mr. Godin) to refer to his motion to amend clause 1 by deleting all the words after the word "of" in lines 10 and 11 at page 1 and substituting therefor:

"one hundred and fifty dollars to every person who has attained sixty years of age."

[Mr. MacEachen.]

Mr. Speaker, we feel the amendment is acceptable, for the following reason.

At the time the Minister of National Health and Welfare (Mr. Munro) tabled the White Paper on Income Security, he gave some explanations about the bill he was introducing, thus starting the discussion on two main points, namely the amount of the pension and the age of eligibility for this pension.

The Ralliement Creditiste agrees that the government has the right to impose certain financial limits to this bill, but just as the government may invoke the principle that the old age pension will be paid to everyone aged 65, we feel that this bill should apply to those aged 60 and over.

In this way, it may result in the passage of additional appropriations but the bill in itself provides only for the allowance of additional appropriations, which, in fact, changes the substance of the present act so that were we unable to amend this point in clause 1, I wonder what would be the meaning of the present debate since its aim is to determine who will be entitled to old age security under Bill C-202.

Therefore, we should like to discuss this motion briefly because we believe that we should extend the scope of the legislation. In this regard, we meet the request of the minister who asked us to look further into this bill.

[*English*]

Mr. Speaker: If these are the only submissions to be made for the guidance of the Chair, perhaps I might be allowed to make a ruling on both motions. I think hon. members will gather that I have to give effect to the misgivings I had about these two motions. I do not think, and I am speaking very honestly at this time, that any serious harm will be done because I gather that the motion moved by the hon. member for Simcoe North (Mr. Rynard) is very close to that moved by the hon. member for Winnipeg North Centre (Mr. Knowles). The arguments which the hon. member for Simcoe North would have made on his motion could very well be made in support of the motion made by the hon. member for Winnipeg North Centre.

[*Translation*]

As regards the motion—

[*English*]

Mr. Baldwin: I beg your pardon, Mr. Speaker. Were you about to deliver a ruling on both motions?

Mr. Speaker: I was about to deliver a ruling on both motions. I had invited comments on both because, in my opinion, they were faulty in the same way and for the same reasons. I felt that the arguments advanced in support of one motion would be arguments in favour of the other, and that arguments in opposition to one would be arguments in opposition to the other. As I indicated a short while ago, the difficulty relates to the limitations of the royal recommendation.

Mr. G. W. Baldwin (Peace River): I recognize that, Your Honour. I only received a watching brief shortly

after lunch and it may well be that I may have some rather unique and unusual arguments in addition to the first rate arguments advanced by my friend from Lotbinière. These arguments may persuade Your Honour to depart from the ruling which I feel you were going to deliver and which might not be in accordance with what would be acceptable, or at least, would not make us happy.

• (3:10 p.m.)

I think that there is a situation here which might well be considered by the Chair. Although I understand that it is not the duty of the Chair to be daringly innovative with regard to the rules, and I do not say that disparagingly, nevertheless there is a point of view that I want to put before Your Honour. It may be that you will think, on the basis of precedents and citations, it is not a valid proposition and that you cannot accept it. On the other hand, if I argue the matter, my argument may commend itself to the House for some future action.

Without question, it is increasingly difficult for hon. members these days, outside of matters that are referred to the Standing Committee on Procedure and Organization, to adopt that changing and contemporary approach which to some extent is required with regard to matters such as I am about to raise. From time to time precedents are set which are not subject to an appeal in any way to the House. Consequently, when a new approach is introduced, an approach such as I suggest this is, it is no easy matter for Your Honour, no matter how well disposed you may be, to accept the new proposition. To put it shortly, the amendment which is proposed by the hon. member for Simcoe North (Mr. Rynard) suggests a variation in the payment of the old age security allowance. I put it to Your Honour that we must look at the source from which this fund comes. Although I do not have the chapter before me, I believe a chapter in the Statutes of Canada, 1952, established the old age security fund. As a result of the terms of the pertinent legislation, as amended in 1967, that fund was established as a trust fund within the four corners of the consolidated revenue fund. That trust fund is charged with the payment of moneys to meet the old age security payments which are being varied by the legislation now before the House. To meet these, there has been 2 per cent added to the sales tax, 3 per cent to corporate income tax and a 4 per cent levy with regard to personal income tax which go into the trust fund.

My proposition is this, Mr. Speaker. When a fund of this kind is established, it is competent for a member of this House to propose variations of the scheme of payments made in legislation such as the House is now considering, provided that that proposal will not so draw upon that old age security fund as to make it essential for further taxes or levies to be imposed on the people of Canada.

It is difficult for us to know what was in the minds of those who enacted section 54 of the British North America Act. I am sure that they did not contemplate the kind of arrangements which have been worked out with regard to this particular fund, the unemployment insurance fund, the Canada Pension Fund, and so on. For that reason, I submit that judicial notice should be taken of the fact that there is now a surplus of $1 billion in the old age security fund. The very modest and reasonable increase proposed in the amendment of the hon. member for Simcoe North is not in any way so alarming as to deplete this fund. The proposal would not in any way involve a tax or impost. It would neither change the government's revenues nor cause the Crown and the ministers involved to impose further taxation. I, therefore, submit that a trust fund of this nature, which is charged with these particular payments, may be varied in the sense that the hon. member for Simcoe North is attempting to vary it.

Before sitting down, may I add that Your Honour, the hon. member for Winnipeg North Centre (Mr. Knowles) and I had an interesting exchange on November 20, last year, when we were dealing with the water bill. At that time I took the position which I fear Your Honour is likely to take now. I argued that the imposition of such tolls and fines as were contemplated for certain purposes in that bill constituted such an imposition of taxation as required a variation in the royal recommendation. Your Honour held that so far as that aspect was concerned, it was not a tax which required a variation in the royal recommendation. I put that point to Your Honour in the hope that the most competent authority in the House today, Mr. Speaker, will support my proposition.

Mr. Speaker: May I first refer to motion No. 2, which stands in the name of the hon. member for Portneuf (Mr. Godin).

[*Translation*]

Motion numbered 2 in the name of the hon. member for Portneuf, it seems to me, is clearly beyond the provisions of the royal recommendation. It is in this regard and strictly from the standpoint of procedure that I take the liberty of informing the hon. member for Portneuf and the hon. member for Lotbinière (Mr. Fortin) that the motion is out of order.

The arguments which the hon. member for Lotbinière has presented for the consideration of the hon. members and of the Chair are interesting and relevant, but they are of the kind that could be submitted during the debate in support of the motion made by the hon. member. I hope that in the course of the debate this afternoon or tonight—or perhaps tomorrow or even next week, which none of us would wish—the hon. member for Portneuf, the hon. member for Lotbinière as well as other hon. members will nevertheless have the opportunity to bring in the arguments of which the hon. member for Lotbinière has just advised us.

Just the same, as far as I am concerned, I must keep not to the gist of the hon. member's proposal but to his view on procedure. And in my opinion, the hon. member's proposal would establish a universal monthly payment to every person who has attained the age of sixty years. If my memory serves me right, such universal payment would amount to $150.

Citation 246(3) of Beauchesne's Parliamentary Rules and Forms, Fourth Edition, reads as follows:

(3) The guiding principle in determining the effect of an amendment upon the financial initiative of the Crown is that the communication, to which the royal demand of recommendation is attached, must be treated as laying down *once for all* (unless withdrawn and replaced) not only the amount of a charge, but also its objects, purposes, conditions and qualifications.

In other words, it must be recognized that the royal recommendation establishes the terms and conditions of the financial liabilities which may be proposed to the House, and in this sense the motion of the hon. member for Portneuf is not in order.

[*English*]

I should like now to deal with the motion which stands in the name of the hon. member for Simcoe North (Mr. Rynard). Despite the very brilliant argument submitted by the hon. member for Peace River (Mr. Baldwin), I find it difficult to ignore the long standing doctrine relating to the financial initiative of the Crown. The hon. member was arguing in the House just the other day that a certain bill would require the royal consent. I think if this House were at any time desirous of changing the doctrine of the financial initiative of the Crown, the royal consent might very well be necessary on that one point. If the hon. member presented the argument that I should have to consider very seriously whether this proposal would not effectively affect one of the prerogatives of the Crown, perhaps I might need to go into the matter more deeply. Yet perhaps that is not necessary.

There are a few more points of view which I was tempted to go into; I suggest to hon. members that that is not necessary. I have expressed the basis on which I have to make the suggestion to hon. members that the motion should not be put.

Before the first motion standing in the name of the hon. member for Winnipeg North Centre (Mr. Knowles) is put by the Chair, I should like to suggest that motions 1 and 3 might be considered and voted upon as one proposition. Perhaps I might hear from the hon. member for Winnipeg North Centre in this regard.

• (3:20 p.m.)

Mr. Stanley Knowles (Winnipeg North Centre): Yes, Mr. Speaker, I am quite happy with Your Honour's suggestion that motions Nos. 1 and 3 be combined for one debate and one vote, unless, of course, there is unanimous approval of the proposal contained in these two motions. The reason there are two motions is that it seems necessary to make changes in clause 1 of the bill and to delete clause 2 in order to achieve the purpose I have in mind. I am quite happy with Your Honour's suggestion to combine the motions for one debate and one vote.

Earlier today I had a conversation with the hon. member for Simcoe North (Mr. Rynard). He was hopeful but apprehensive as to whether his motion would be in order. He suggested that if his motion was not in order he would be happy to second my motion. I welcome his support, unless the President of the Privy Council (Mr. MacEachen) or another government member would prefer to second it.

Mr. Speaker: I will put the motion.

[*Translation*]

I see that the hon. member for Lotbinière wants to have the floor. He wishes perhaps to raise a point of order. With his permission I will now read the motion of the hon. member for Winnipeg North Centre (Mr. Knowles) and then ask the hon. member for Lotbinière whether he still wants to raise a point of order.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre) moved:

That Bill C-202, to amend the Old Age Security Act, be amended by deleting from Clause 1 lines 4 to 11 at page 1.

Mr. Speaker: By order of the House, motion No. 3 is being combined with motion No. 1 on the understanding that the debate can range on both motions and they will be subject to one vote. I will put motion No. 3.

Mr. Stanley Knowles (Winnipeg North Centre) moved:

That Bill C-202 to amend the Old Age Security Act be amended by deleting Clause 2 therefrom.

Mr. Speaker: Before calling on the hon. member from Winnipeg North Centre (Mr. Knowles), I will call on the hon. member for Lotbinière (Mr. Fortin).

[*Translation*]

Does the hon. member for Lotbinière wish to raise a point of order?

Mr. André Fortin (Lotbinière): Yes, Mr. Speaker.

I did not dare interrupt you when you made your ruling, on motion No. 2, but when I made my comments to prove the validity of this amendment, I did not have the Standing Orders at hand. Now that I have them, I would like to quote Standing Order 63.

Mr. Speaker: Order. I will allow the hon. member a few moments to make his point, but he will recognize that it is altogether out of order to have a debate on a point of order after a ruling has been made by the Chair. In any event, the hon. member will perhaps be able, with leave of the House, to briefly put forward the arguments he wanted to submit to the Chair a moment ago.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Fortin: Mr. Speaker, what has prompted the hon. member for Portneuf (Mr. Godin) to move this amendment is Standing Order 63 of the House of Commons which reads as follows:

All aids and supplies granted to Her Majesty by the Parliament of Canada are the sole gift of the House of Commons, and all bills for granting such aids and supplies ought to begin with the House, as it is the undoubted right of the House to direct, limit and appoint in all such bills, the ends, purposes, considerations, conditions, limitations and qualifications of such grants, which are not alterable by the Senate.

This is why, Mr. Speaker, it is our duty as parliamentarians, not only to take part in this debate, but to make proposals and suggest limitations as I was saying at the beginning, according to this Standing Order, because we

feel that as legislators it is our duty to take part in the drafting of a bill.

Mr. Speaker: I thank the hon. member for having drawn the attention of the Chair to the provisions of Standing Order 63. The hon. member will agree that even though everything in this Standing Order is correct, there is no question of expressing doubt regarding one jot of it. All this remains subject to the initiative of the Crown to introduce in the House the aids referred to, the allotment of supplies and the expenditures. Thus, it is the gift of Parliament, that is the House, once the introduction has been made, with the consent of the Crown. The hon. member is right, but to a certain extent only. The fact remains that the philosophy of financial initiatives by the Crown must, to a certain extent, take precedence over the provisions of Standing Order 63.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in commencing this debate at the report stage of Bill C-202, my purpose, motive and approach is to make to this House as earnest a plea as I possibly can. My plea is that the escalating of the basic old age pension by at least 2 per cent per year be continued.

As Your Honour is aware and, indeed, as Your Honour has often drawn to our attention, the rules relating to the report stage of a debate require that we concentrate on particular issues and points that are underlined by any amendments that we move.

The two amendments to the bill that I am seeking by motions number one and number three, which Your Honour has allowed, combine to do one thing, namely to keep in effect the provision under which the basic old age pension, even if that is all a person receives, will be escalated every year by up to 2 per cent if there is an increase in the cost of living. This is the issue in this debate.

My interest in old age pensions is well known. It is hardly necessary to make the point that there are many aspects of the matter which concern me. Like the hon. member for Portneuf (Mr. Godin) who sought to move a different type of motion, I would like to see the total amount of the pension increased to $150 a month. There are other things which I would also like to see done to improve the lot of our senior citizens.

However, in this debate and the vote that will follow, we shall be dealing with one issue only. I hope that the good will and concern of hon. members for our senior citizens will lead them to think very deeply about this matter and to support the proposition that the escalation of the basic old age pension must be continued. Just to make it clear why I keep referring to the basic old age pension, let me point out that in Bill C-202 as it stands the basic old age pension is to be frozen at $80 a month effective January 1, and in the case of all those persons who draw only the basic old age pension there is to be no further escalation of that pension in response to increases in the cost of living. It is true that the principle of escalating a portion of the old age pension is to continue with respect to the supplement and that any person who draws any portion of the supplement will, under the terms of Bill C-202, have his total pension, his basic $80 plus his supplement, escalated according to the formula set out in the Canada Pension Plan. In making this statement at this point, I am already drawing attention to the fact that our senior citizens are being divided into two groups, one of which will benefit from the escalation of the pension while another will be entitled to no escalation of the old age pension whatsoever.

• (3:30 p.m.)

This is a very serious matter, Mr. Speaker, not just because the sum of $1.17 a month is involved, not just because a certain number of people are affected, but because it concerns our whole approach to the affairs of senior citizens, and, indeed, our whole approach to society. I believe that before we call it Christmas we should reconsider what has been done in the drafting of this bill and I plead as earnestly as I can with Liberal members of this House to support these two motions in order that we may continue the escalation of the basic old age pension.

It will be no surprise to hon. members if I say, as I have said on previous occasions, that my correspondence with pensioners in this country is very heavy. I believe I can say that the letters I receive are a good barometer of what the senior citizens are thinking. I can tell this House, and I tell the government, that there is among old age pensioners today great and very bitter disappointment over this decision to freeze the basic old age pension at $80 and permit no further increase in line with the rising cost of living. I shall not take the time to go into all the figures I recited on second reading. There was some discussion about them when the bill was before the Standing Committee on Health, Welfare and Social Affairs. But even if the minister and I cannot agree on the number affected, even if he wants to think in terms of 200,000 and I prefer to think in terms of 510,000, a great number of our pensioners will be receiving only the basic pension and will not get a cost of living supplement such as they have been receiving for the past two or three years, and these people feel sad, they feel let down, they feel disappointed. They just do not believe the Parliament of Canada would do this to them. I said earlier that this is not just a matter of a $1.17. I know it is a cliché to say it is not the amount of money that matters, but the principle. But this is what is being said by people who are writing letters to me at this time. They say: If the government needs my $1.17, I am a loyal Canadian and I will help them out, but why should we be separated from other old age pensioners? That is the point. Why should senior citizens be divided into two distinct groups? These people are expressing their disappointment and they have every right to express it. Parliament is extremely ill-advised to create this sadness, this feeling of being let down, this sense of disappointment which our people are feeling, and it relates not only to the amount of money involved. Small per month as $1.17 may be, as far as they are concerned, even the total saving to the treasury is terribly small as far as the federal budget is concerned. I shall return to this point in a few minutes. The point I

wish to emphasize at the start, and I do so because I have sufficient mail to tell me this is the way our senior citizens are feeling, is that there is great disappointment—not anger, perhaps; not political comment, but just heartbroken disappointment—that this is being done to them.

Some people not only write the letters directly to me; they send me copies of letters they have written to the Prime Minister (Mr. Trudeau) or to the Minister of National Health and Welfare (Mr. Munro). I liked one which came to my notice the other day—maybe the minister recalls receiving it. The correspondent asks him: "How could you let anyone overrule your own heart and better judgment on this?" I have a pretty good idea who that someone was, but I cite this letter not to make that allusion but rather to emphasize the mood, the thinking, of our senior citizens.

You see, we must take into account not only the 510,000 who will not get a supplement but are in brackets where they need every extra cent they can get, but the whole group, the whole 1,700,000, as well as the younger people who are interested in their parents and grandparents. All are disappointed that this division into two groups is being made.

The second feeling I detect in the heavy correspondence I receive on this question is, perhaps, not far removed from disappointment, but I sense it as something different—it is disillusion. It is very real, and some of it is angry. They ask: How can parliament do this to us, a Parliament which entered into a social contract to provide that all future pensions would be escalated? I will provide quotations in support of this, in a moment or two. They ask: How can you break that contract?

There is another point which has been turning up in my letters, especially in the last two or three days. I shall not dwell on it, because I do not want to get off the track or annoy the very people to whom I am addressing my plea. But hon. members must know that people are saying: How can parliament ask old age pensioners to settle for one last increase of 42 cents a month and then receive a report which proposes some rather magnanimous increases as far as Members of Parliament themselves are concerned? This is in addition to what we did with respect to our own pensions only a few months ago, and remember that our pensions, like civil service pensions, will still escalate by 2 per cent a year. There is disillusionment about Parliament. Safe and secure as I believe this institution to be, Mr. Speaker, we must not press our luck too far; we must not gamble too much on the respect people have for this institution. If we do too many things which make people feel we are concerned primarily with ourselves and certain other interests, and not concerned about keeping our word to the old people of this country or with other groups which are not the subject of the debate this afternoon, this disillusionment could put Parliament in a bad way. My plea for the support of these motions is as strong and as earnest as I can make it, and I am making it now for the sake of Parliament itself. People write to me and say: You can't do this to us; the government cannot act this way; it is not like Parliament. Let us prove to them that we do not act that way.

[Mr. Knowles (Winnipeg North Centre).]

• (3:40 p.m.)

I know the odds I am facing today. We had two or three votes in the standing committee on the very clauses that are before the House in these two motions, and we lost those votes on a division of something like 9 to 4 in both cases. All of the Liberals present voted to go along with discontinuing the escalation of the basic old age pension; my friends in the Conservative party and my colleague from Vancouver-Kingsway (Mrs. MacInnis) and I, representing our party on the committee, voted of course, to continue the escalation. Unfortunately, my friends to my far left in this chamber were not present at the time, although I am sure they would have voted that way as well.

The point I want to make is this: I know this is a bill in the government's name, that the government is backing the bill. Its backbenchers backed the bill in committee. But this is still Parliament. It is still a place where speeches are made and listened to, arguments are considered and individual members make up their minds.

I say to every member of this House who is sending Christmas greetings back home wishing a Merry Christmas and a Happy New Year to his constituents, just don't bother if you are going to contribute to the disillusionment of people by telling them: "Oh yes, we told you a few years ago that all future pensions would be escalated, but the government has now changed its mind and so we backbench supporters of the government are going to go along with the government". As a lover of Parliament I plead that this not be done. I am sure there are just as many lovers of Parliament in the other parties as there are in mine. Let this be shown today when the vote comes on these two motions.

The third point I wish to make hinges on the word "equity". You cannot justify a scheme under which you divide our senior citizens into two groups, with one group getting the old age pension escalation when the cost of living increases, the other group not. It is no use the Minister of National Health and Welfare (Mr. Munro) telling me that we are redirecting our money so that the poor get it. We went over this the other day. I still contend that all that we are doing is redistributing poverty. We are not imposing any new taxes on those of us still in our working years; this will all be paid for out of the old age security fund. What we are doing is taking $1.17 a month away from 510,000 people—there are more than that, but they are the ones in the middle bracket—and giving it to some other elderly people, starting in January.

There are a number of ways in which I might try to demonstrate the inequity of this. I have done some figuring, and at one point I thought of giving half a dozen examples. I have decided to give just one because I think it tells the story of inequity very clearly. I hope hon. members listen to this set of figures that I will now put on the record; they are not too involved and I am sure will be readily comprehended.

For the purpose of my illustration I give the case of a single person, because then we will not become too involved in different sets of figures. If a single person over 65 years of age has other income from any source—pension, investments or what have you—of $110 a month, that person cannot get any portion of the guaranteed income supplement. This $110 is calculated on the two-for-one basis and is regarded as $55, so he has had the full amount to which he is entitled and thus gets no guaranteed income supplement.

The minister will tell me that this person has a total income of $190 per month. That is right. He gets his old age pension of $80 a month, and he has this other private income of $110, for a total of $190. But consider the person whose other income amounts to $109 a month. A single person with an income of $109 a month will get a guaranteed income supplement of $1. He gets this because, according to the formula, for each full $2 you take $1 off: $109 is, for purposes of the formula, $108. In other words, the pensioner has $54, and he will get $1. He ends up with $80 basic old age pension and $1 supplement, and will receive a cheque for $81 from the old age pension people. He has his own income of $109, and his total income is precisely the same as the single person I talked about a moment ago, namely $190.

Now, the person whose $190 consists of $80 pension and $110 private income gets no escalation. But the person whose private income is $109 and who receives $81 basic pension and supplement has his $81 escalated. Hon. members can see that for the first year, 1971, these two persons will each have a total income of $190 a month. In 1972 the person who has a private income of $109, and hence a pension and supplement of $81, will have his $81 escalated by 2 per cent, and will receive an increase of about $162. As a result, in 1972 his total income would increase from $190 to $191.62. The other person's income stays put at $190.

Do you call that equity, Mr. Speaker? Not by any stretch of the imagination or any manipulation of the figures. I could take other cases but I shall not do so because more figures will just confuse the situation. What it all comes to is that if a pensioner has other income of a little less than $110, he gets a supplement. Initially he gets less than the person with the $110, but with a few years' escalation he will have more than the person who gets no supplementation at all. In this situation the people who have saved a little, who have picked up a little something else, are penalized, whereas those who did not quite make the grade get the benefit.

I have stood on my feet in this House and said a great many times during the last number of years that the finest piece of social legislation that this Parliament ever passed was the universal old age pension. It is the envy of social security officials in all western countries of the world. One of the reasons it is so good is that it created this feeling of togetherness or oneness among people who were retired. It did away with the stigma of having two groups of people. We are now bringing that stigma back. It was brought back by the guaranteed income supplement in 1966, and we are again bringing it back, and bringing it back with a vengeance, by making this distinction in regard to escalating the basic pension. I plead as strongly as I can that that escalation be allowed to continue for everyone who receives the pension, right across the board.

May I make one other point with regard to equity. I have cited the case of two people, one receiving $80 basic old age pension and who has enough not to receive the supplement, the other getting the supplement. In the course of ten years the cost of living will have gone up at a rate of 2 per cent a year, probably more. During that time the person with the supplement will receive more money as a result of the cost of living bonuses every year; on the other hand, the person who receives only the basic pension will find during the course of that same ten years that the value of his pension has gone down by at least 20 per cent. Twenty per cent of $80 is $16, which brings the value of his pension down to $64. I suggest that I am being conservative in that calculation, but there is no reason why I should not be "conservative" since I have a Conservative as the seconder of my amendment, but it is still spelled with a small "c".

• (3:50 p.m.)

Equity has been thrown out the window. I think it is a sorry day for Parliament when it is doing this kind of thing. The minister says that the cost is a factor, but he admits that it would cost only $15 million in 1971 to pay the supplement to all who receive only the basic pension. I think his figures are a bit high, but I will not argue that this is not what it would cost. In terms of the federal budget, this is really nothing by contrast with what we are doing to the disappointment and disillusionment of the people and the destroying of equity.

When we argue about this increase the minister says that ten years from now this $15 million would increase to $150 million because the cost of living will continue to increase in the next ten years and that the escalation in ten years will make it ten times as high. At times he tries to tell us that the cost of living is under control. If he tells us that it is going to cost $150 million ten years from now this means the cost of living is increasing, and in turn means that a person on the basic pension only will have a pension worth not more than $64.

Mr. MacInnis: Ten years from now they will not be here to worry.

Mr. Knowles (Winnipeg North Centre): Ten years from now they will not be here to worry; I quite agree with my hon. friend the hon. member for Cape Breton-East Richmond (Mr. MacInnis), but in the meantime it is a worry, a heartache and a disappointment to many of our senior citizens.

The fourth point I want to make, Mr. Speaker, is that by doing away with this escalation we are breaking a contract and a commitment. I have used this phrase several times and I should like to indicate when it was uttered first in this House. It was uttered on November 9, 1964, as recorded in *Hansard* at page 9899 when the Hon.

Judy LaMarsh was introducing the Canada Pension Plan legislation and for the first time told us about the escalation on the basis of the cost of living. These were her words:

—all future old age security pensions will be pegged to the cost of living index and will increase automatically if living costs increase.

There was no suggestion that this was for four or five years. She said, "all future" pensions, and in later debates that promise was repeated. A couple of years later—

Mr. Francis: For all time?

Mr. Knowles (Winnipeg North Centre): What does "all future" mean?

Mr. Francis: What does parliamentary government mean?

Mr. Knowles (Winnipeg North Centre): I can see there is one Liberal over there to whom there is no use appealing, because he is satisfied that the government is going to do something that is all right. Let me say to him that in the eyes of the Canadian people, and I think I am justified in saying so in view of the extensive mail which I am receiving every day, it is the view of old age pensioners that a contract is being broken. Not only was this a commitment made by Miss LaMarsh, Mr. Pearson and the Minister of Finance (Mr. Benson), who was then the Minister of National Revenue during part of this procedure, but we must consider the question of the taxes people have paid for these benefits. Some of these taxes were increased after the escalation was added. This was done because of the escalation clause and other things that increased the benefits, and it was done because the act itself gives no leeway and no opportunity to the Minister of Finance to cut back on the payments. The only thing he can do under the act, if there is a shortage of money, is propose to Parliament ways of making up that shortage.

In the eyes of the people of this country there was a social contract to pay these escalation benefits, and taking them away at this time is, in my view and in the view of Canadians generally, a breach of contract and a breach of faith. That is why I have emphasized so strongly the words "disappointment", "disillusionment", and "destroying equity". This represents the way the people across Canada feel.

When I look at this whole proposition, and if I can make any kind of division of these remarks this is my fifth point—there are only six with one "tiger"—I am trying my best to figure out why the Minister of National Health and Welfare (Mr. Munro) did this. He is certainly not the young man I knew when he first came to this House. He was a backbench Liberal sitting over on this side with lots of ambition, and with lots of the crusader spirit. He is not the young man I knew as a parliamentary secretary—I was going to say to the late Judy LaMarsh, but she is not "the late", she is still around—as Ed Murphy would confirm. In those days I thought the minister was going to try to take my place as the crusader for old age pensioners.

[Mr. Knowles (Winnipeg North Centre).]

An hon. Member: They got to him.

Mr. Knowles (Winnipeg North Centre): Somebody got to him, because now he comes along with this cut-off of the escalation. He has given us arguments for this in his white paper and he tried to give us some arguments in the statement he made to the committee a few days ago. When I asked him yesterday or the day before, whenever it was, if he would give us a statement some day as to the rationale or philosophy behind all of this he said he would. I hope I am not pushing him too far when I say he has really admitted that he has not done so yet.

I think the Minister of National Health and Welfare has gone to the cabinet and said: Look, I have to get some money for old age pensions. I have to do something because Parliament is breathing down my neck, the Liberal backbenchers are breathing down my neck, the people are breathing down my neck and my neck is getting pretty hot. I have to do something. No doubt he argued for the principle in which he believed when he was the young parliamentary secretary or backbencher. He is still young but—

Mr. Munro: I am aging.

Mr. Speaker: This might be a good time to draw to the attention of hon. members that the time allotted to the hon. member for Winnipeg North Centre (Mr. Knowles) appears to have expired, subject to the agreement that he might continue.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, under Standing Order 75(9) is it not provided that the mover of a motion at this stage has 40 minutes?

Mr. Speaker: The Chair must recognize the point of order raised by the hon. member and indicate that he has another ten minutes.

Mr. Knowles (Winnipey North Centre): Thank you, Sir. I was pretty sure of it and I had consulted the rule just before I started.

Let me return to the Minister of National Health and Welfare who says he has aged. I hope he is feeling old and burdened, especially in his conscience, as a result of what he is doing. I suspect the best he could get from the cabinet was an agreement that it would let him push around so many millions of dollars, but he would have to find a way to do it and would have to do it within the framework of the old age security fund.

So the minister got out his pencils, sharpened them and did some figuring. One of the places he decided he could save a few dollars was in the area of this escalation factor of basic old age pensions for those who did not draw any supplement.

Mr. Douglas (Nanaimo-Cowichan-The Islands): "Chiselled" is the word.

• (4:00 p.m.)

Mr. Knowles (Winnipeg North Centre): That might be the word, but I would not be so unkind.

There is no principle, no philosophy and no rationale to this cut. It amounts simply to figuring out within the terms of so many dollars how it can be done. Whenever you abandon principles or try to resolve a social problem on the basis of expediency, you get into trouble, and if the minister feels he is aging I can quite readily understand. I urge that we get back to principles and admit that our senior citizens are entitled to equity. They are entitled to a recognition of the contract that was made with them. They are entitled to have their escalation in the basic pension continued in the terms expressed by Miss Judy LaMarsh in this House of Commons with regard to future pensions. There was no cut-off. The Liberals of those years were proud of what they had done.

Now, thanks to your ruling, Mr. Speaker, which gives me another few minutes, I should like to indicate one of the things which bothers me. This is my sixth remark about this. This course of action is a further attack on the principle of universality itself. In 1950, when the Old Age Security Committee reported to Parliament, I had the great honour of being a member of that committee and of having helped to draft the report. It was one of the finest committees on which I have ever served. The committee recommended that old age pensions be universal with no means test or needs test of any kind. I could quote from Mr. Pearson some years later, but I shall not take the time to do so, when he emphasized the fact that we had committed ourselves to a principle that old age pensions would be universal with no test at all attached to them. As a matter of fact, Mr. Pearson said that as late as 1965.

Is the minister objecting to what I am quoting?

Mr. Sharp: It was a private conversation.

Mr. Knowles (Winnipeg North Centre): Perhaps I might quote what the present Secretary of State for External Affairs (Mr. Sharp) said, when he was Minister of Finance, in his budget of 1966. He pointed out that he had only one course when there was a shortage of money and that was to find ways to raise money, but that he had no permission to cut back on pensions. It took many years to get the Liberals to accept the principle of universality. Once they accepted it in 1950, and put it into effect in 1951 in respect of the Old Age Security Act, which came into effect on January 1, 1952, they were as proud as peacocks about it and for years they told everybody that it was the Liberals who had brought in this tremendous plan, the best in the world. When some of us reminded them that we had prodded them into doing it they said, "yes, there was prodding from the opposition side, but we did it".

Then along comes December 1966 when this universality was violated by the guaranteed income supplement. Now, it is being done again. Even with the guaranteed income supplement of 1966, we still remained the universal escalation according to the cost of living. Now, even that is being taken away today. This is a further attack on the principle of universality. It is a further downgrading of a principle which I assert was one of the finest ever implemented by the Parliament of Canada when it placed old age pensions on a universal basis. As I say, there was boasting about it by Liberals all over the country, especially at election time. There was boasting particularly about the cost of living supplement. There were even statements to the effect that the Old Age Security Act was now outside of politics. No one ever swallowed that, and I do not believe there is anything bad about having political issues here. Certainly, this one is political now and will be until we get it back on the rails. I suggest that the Liberals should not write off the position of Louis St. Laurent, Lester Pearson, Paul Martin and Judy LaMarsh. I have not often sung their praises, have I?

Mr. Francis: Very rarely.

Mr. Knowles (Winnipeg North Centre): My friend says "very rarely", and he is probably right. But even they became converted. Sometimes we hear about the generation gap and the fact that some of us do not understand these things and today's approach. I am happy to belong to a generation that believed that, especially when people reach retirement age, what is done for them should be done as a matter of right on a universal basis without any of these tests. Even if it takes us a while to get back, in the next generation they will believe that our generation was right and that this generation of Liberals is doing the wrong thing.

Those who came before us in this part of the House, Mr. Speaker, and those of us who followed them required 20 years to persuade the Liberals to take off the means test and bring in universality in respect of old age pensions. We finally won in 1950. This victory lasted for 15 or 16 years. We lost part of it in 1966 and we are losing more of it today. We are losing a part which will hit people very hard. We are denying some of our people the right to have their pension escalated when the cost of living goes up. Remember that the cost of living goes up for everybody, not just for some.

I hope the pleas which have been made, my pleas and the pleas which will come after me, will have some effect. If not, we may lose today's battle. But this is not the end of the war. This plea for an approach to equality, and for universality in respect of our older people in particular, is sound, just, humane and Canadian. I hope the vote today will bring back universality of escalation. But if we lose it today, even if it takes us another 20 years to get it back, we will keep up the battle for another 20 years or until we win, for right is on our side.

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I believe we have listened to a very effective speech in

respect of Bill C-202 to amend the Old Age Security Act. No matter how many times we have agreed or disagreed with the hon. member for Winnipeg North Centre (Mr. Knowles), no one can challenge his sincerity in this House in fighting for the underdog. I have been here for a good number of years and have heard him champion the causes of people who in many cases could not speak for themselves. He has been heard with a clear voice in the House of Commons. He has been heard again today and I am very happy to follow him in this debate.

This bill is a bad bill because it is discriminatory. It would seem that my hon. friend, the Minister of National Health and Welfare (Mr. Munro), has been influenced by other people or perhaps was on pot or something else because I am sure this is not his own idea. The hon. member for Winnipeg North Centre expressed so well what a charming figure he was when he came here, unsullied and untarnished, from Hamilton. Now, we see him sitting here today with a tarnished image.

This bill would discriminate and divide the older people into two classes, the haves and the have-nots. It is true this trend was started in 1966 when the Hon. Judy LaMarsh was Minister of National Health and Welfare. Now, another feature besides discrimination has been added. It is the erosion principle of a fixed asset, an arbitrary frozen asset of $80, neither founded on mathematical wizardry or justice. In 1966, the principle that inflation was eroding the pension was recognized and an escalation clause was added. If the cost of living rose by 2 per cent or over, then 2 per cent was added, regardless of whether the increase might have been 3 per cent, 4 per cent, 5 per cent or 6 per cent. This is the way the old age pensioner has been cheated over the years.

• (4:10 p.m.)

It is interesting to note one thing that the minister said, although maybe I am accusing him wrongly and maybe it was the Minister of Finance (Mr. Benson) who said it. The minister has said so many things, written so many things, and issued so many statements that I cannot keep up with all of them. But he, or the Minister of Finance, said inflation would not be a major factor next year. However, John Meyer, writing in the *Gazette* of December 17, says:

> A resumption of significant price increases must be expected next year. The base for them has already been laid in the continuing high level of wage settlements—averaging in excess of 9 per cent for the first year. Advances in productivity can't overtake that sort of lead.

In effect, what the government is now doing is taxing the old age security pensioner by whatever amount the cost of living increases. If that is not a new principle introduced in this Parliament, I have never heard of a new principle. That is the fine hand of Scrooge, and here we are at Christmas time. It is interesting to note that during the first three years of the sixties, during the Tory administration under John Diefenbaker, inflation was held to around 1½ per cent per year. Thus, a very sound basis was laid for increasing expansion in later years.

[Mr. Rynard.]

During the following years, inflation took a higher toll, until in 1966 parliament decided that old age pensions must be increased. Old age pensioners were getting into difficulties. I will remember sitting in a rather good restaurant in a major Canadian city and noticing an old lady at the table next to mine. I saw her picking up some of the scraps, some of the bread that had been left by the people who had vacated the table next to hers. I asked the waitress about her, and she told me it was a usual occurrence for that poor old lady to do this, coming in to gather up the scraps. I asked where she lived, and was told that she lived in a third-storey apartment. Mr. Speaker, this was somebody's mother. This surely, was not good enough. I repeat that this incident took place in 1966.

It was for such reasons as this that the Hon. Judy LaMarsh raised the old age pension to $75 per month, effective January 1, 1967. But the government realized that this was not enough, and gave a supplementary pension of up to $30 per month to those who had little or no other income. Then, as I have stated, there was an escalation clause giving up to 2 per cent when the cost of living rose by 2 per cent or more. Have you ever heard of anything so ridiculous? This was cheating the defenceless people of this country. Mr. Speaker, in the last three years inflation has exceeded 15 per cent. To meet this situation, the old age security pension escalated to meet the cost of living increase should now be around $100 per month, and the old age supplement should be over $50 per month. That would be the case if our people over 65 years had been treated fairly, squarely and honestly by this Parliament.

Now, the government forsakes the very principle of universality, and yet the other day, when the Minister of Labour (Mr. Mackasey) announced plans to include over one million employees never before covered by unemployment insurance, he said that principle was very important. But in this case the cabinet forsakes universality and is bringing back the principle of selectivity.

Nevertheless in one area, and that is the area of hospital costs, there will be an extra tax of $37 million as a result of bringing hospital workers under the unemployment insurance scheme. Yet the other day in committee the minister told us that there should not be any more increases in taxation. Now, they are taxing the sick by taxing the hospital workers. This is one of the sensitive areas of galloping costs, and is of great concern to those in that field.

The Hon. Judy LaMarsh said that people must pay for pension increases. In 1967 she imposed a 1 per cent tax in addition to the 3 per cent tax already in force on all income tax payers, up to a maximum individual contribution of $240 per year. From this 4 per cent tax on income, over $1 billion was collected by the government last year. The people have paid into this fund. This is not a charity fund. Over and above that, there is a 3 per cent sales tax, to which all people contribute, to pay for their old age pension. Some day we will need that pension. The minister may need the Canada pension. Would he think it funny if some government came along and froze it?

Last year the government collected over $600 million from the 3 per cent sales tax, and also collected approximately $125 million from corporation tax to cover pension payments.

This was a fund into which trusting people paid expecting, if they lived, to get it back in the sunset years when they were unable to work any longer. Each person paying into this fund was taxed according to his income, up to a total of $240 per year. If a person earned more, he paid more. Those on low incomes paid only a little, and if people had no taxable income they did not pay anything, but all people were to receive the same amount. Now, the government has reversed the rules of the game, and those who have paid the most will find themselves with the least. Many people will find themselves with just a little more than they should have in order to qualify. They may own a home in a neighbourhood to which they have become accustomed and not wish to leave. But their expenses will have increased. These people will sit there, wondering if they should not have given away a little bit more in order to qualify.

Inflation has eroded their dollars. Inflation is abrasive to these citizens. There are around 600,000 of them. These people do not want charity. They paid into this fund, thinking they would get their money back from it. They only want what is their right. Now, they look at this fund which to date has piled up a surplus of $735 million, and they see this magnanimous government freezing their pensions at $80 per month. Can you blame them if they are angry when they look at the 42 cents that the government offers them? But the government says, "That is all there will be. There is no more for you." Some Santa Claus, Mr. Speaker! The amount of inflation will be deducted from the pension each year, and at the same rate as erosion has taken place over the past three years. Mr. Speaker, that is nothing but a tax on the aged, and I will prove to you that it is a tax.

• (4:20 p.m.)

If inflation continues at the pace set during the past three years, the resultant loss to a pensioner will be $4 in the first year, $3.80 in the second year and $3.68 in the third year, making a total of $11.68. Thus, inflation will have taken away from the old people of Canada over $10 of their old age pension. Those are the facts and this government must face up to them. Do the Canadian people want to see these senior citizens treated in this way? Nearly 600,000 of these people have paid into this fund and they have a right to receive benefits from it.

By next year there will be more than 1,700,000 people over the age of 65. Of these 1.1 million will have incomes of less than $1,500 for a single person or less than $3,000 for a married couple—pretty slim going. If there were no income security program, 72 per cent of single people over the age of 65, and there are 580,000 of them between 65 and 70, would have incomes of less than $1,500.

Let us look at this another way. Of those people aged 65 to 70 years, just over one-third pay income tax and some of those pay it because they receive the guaranteed income supplement. Some also pay OHSIP. Some own their own homes and receive the guaranteed income supplement; this year they receive a supplementary tax assistance of $50. This is a step in the right direction initiated by the Ontario provincial government. It is reasonable to assume that less than one in four have taxable incomes. Of the older married couples, 55 per cent or 300,000 of them have incomes of less than $3,000. Poverty is a fact of life among old age pensioners and this society must take the responsibility for inflation and make the necessary corrections.

Of single people 65 years of age and over, 70 per cent will have incomes of less than $1,320 and only 30 per cent will have incomes of more than $1,320. These people will pay income tax. Therefore, they will receive no supplement whatsoever but, in effect, they are also taxed by inflation each and every year.

One-third of married couples have incomes of under $1,800; half have incomes under $2,300 and two-thirds have incomes under $4,000. Half of those with incomes above $2,280 will not qualify for the supplement. The great bulk of the 600,000 find that the government is not only freezing their income from Old Age Security but is eroding it each year. I want to bring to the attention of the Minister of National health and Welfare that the government is really taxing these people, and surely this is not accepted Liberal policy. Many of the 600,000 will be caught cold on fixed pensions which they rightly felt would be sufficient to keep them. Some will be able to exhaust their savings and qualify. Others will put their assets into non-revenue producing investments and qualify. This is the type of chicanery the government is forcing upon senior citizens in order that they may live in this world of inflation. I challenge the minister to tell me that is not correct.

But the inequalities, Mr. Speaker! Some will own a modest little home and receive a tax subsidy from the provincial government while others will have to rent an apartment at $100 per month. Is that equity? Another gimmick is that if the house were sold and the money invested, the return would be $1,200 or $1,500 but they would have to pay this or more, for an apartment. Before the house was sold, the person qualified but afterwards did not. These are the pitfalls in the act. Many of these people would carry on in their homes longer, but illness increases with age and is tremendously expensive. I wonder if the minister has ever thought of that, and if he has drawn it to the attention of his cabinet colleagues. There is four or five times the amount of sickness after age 65 and this results in a need for drugs, and other expenses. It is estimated that sickness increases by five times from age 40 to 70. In many cases, chronic illness requires special drugs and it is not uncommon for drug care to cost $25 and more per person. The government brought in a national medicare scheme and are proud of it, but they do nothing about drug care. For the last year, I have been after the minister to do something for these people. I will say that he has never turned me down, he always promises. It is like that old song "Oh, Promise Me".

Senior citizens often have to save money on necessities, such as food, in order to buy drugs to keep going.

Remember, the aged person is at the end of the road. I would remind the minister that for him this may not be so many years away; the years pass pretty quickly as I can tell him from experience.

I should like to cite a specific case and there are thousands and thousands like it all across Canada. Mr. X has lived alone since his wife died two years ago. He receives a CPR pension of $998.76 and an old age security pension of $954.96. I should like the minister to figure this out, Mr. Speaker. The hon. member for Ottawa West (Mr. Francis) is here and he is good at mathematics so he can help. I know he was on the council in Ottawa before he came to Parliament and I have always respected his skill with figures. I am not trying to be sarcastic in any way. This is only one letter, and I have received many, but it struck me as particularly interesting. There are many people in these circumstances.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but I have to advise him that his time has expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: The hon. member may continue with the unanimous consent of the House. Is there such unanimous consent?

Some hon. Members: Agreed.

Mr. Rynard: Thank you, Mr. Speaker. I appreciate my fellow parliamentarians giving me this time and the minister has also been gracious about it.

The man paid out $35.20 to OMSIP; he has a knee injury and heart trouble so he pays $520 a year to a cleaning lady; fire insurance for his little home amounts to $30. Here is an interesting thing, Mr. Speaker, and I looked twice at it. He paid $50 to the church and I thought this was really something for a man who is just scraping along. Hair cuts cost $18, so I assume he got his hair cut once every six weeks; stamps, money orders, etc., $6; taxes on his home, $220; drugs, $162; taxi fares, because he could not keep a car going any more, $150—he had to go to hospital every three weeks for blood tests—$180 for fuel does not seem out of line, it is only $15 a month. Electricity cost $150 per year, and I thought was pretty cheap. The sum total is $1,557.

• (4:30 p.m.)

An hon. Member: What did he eat?

Mr. Rynard: Nothing is said about that. Another strange omission is the fact that he would have to pay taxes to the government. If my calculation is correct, his exemption would be roughly $1,200 if he were 65. If he were 70, the exemption would be $1,600. Therefore, he would be paying income tax on $353.72. I wanted to bring this forward, because it is a human story. It is one that is typical today. That is why I am asking the minister whether he drew to the attention of the cabinet the fact that these people are more prone to illness as they go down the road to the end. We call them the sunset years; but let me tell you, Mr. Speaker, it is not always a smooth road for these people. The figures I gave do not include income tax. The minister could find out how much tax a man like that would pay. He would know exactly how much a man like that had to live on, or whether he was being helped by his friends.

I now want to say a few words regarding the recovery of overpayments. The filling out of papers, and particularly our income tax returns, is a difficult task. I expect that between a third and half of our parliamentarians do not fill out their own income tax forms. A survey on this subject might produce some interesting results. I see the hon. member for Hull (Mr. Isabelle) scratching his head. I am sure he would not fill out his own form; he would not take the chance. Do hon. members remember what Walter Gordon said? He was a nice fellow, Mr. Speaker. He came from the city of Toronto and was minister of finance. He was here some time before you were, Mr. Speaker. Although he was a chartered accountant, he told us that he would not dare to fill out his own income tax form, because he might fill it out incorrectly.

This brings me to the point I have been trying to make. We are sending old people these complicated forms that we cannot ourselves fill out. We must remember that we are dealing with a generation of people with very little education. Many of them had to go right from grade school or public school to work. When people like that make a mistake, they are denied what should by right be theirs. The same type of difficulty arises when it is discovered that they have been asking for too much. When it is discovered that these old people have filled out their forms incorrectly and been paid too much, the overpayment is recouped by monthly payments which are assessed against the old people concerned. Therefore, these people who already live in the poverty area have to make do with a little less. I will not take up the time of the House by giving details, but I have received literally hundreds of letters complaining that people who have received an overpayment have been required to pay back the overpayment. As a result, they have too little to meet their obligations from month to month. Some people in this situation have had their telephone and electricity cut off, simply because some bureaucratic, faceless civil servant, faceless because he does not know the victim of the circumstances, has said, "You have got to pay".

Mr. Thompson: The authorities now take them to court.

Mr. Rynard: As the law now stands, the government can sue the estates of these old people. I know of an instance where the government recovered $6 from the estate of a poor lady.

In conclusion, I must say that there will be no incentive to save. I put it to you, Mr. Speaker, that you would not contribute to your pension if you did not think you would benefit in the end. Neither you nor I would contribute money under those conditions. Yet the old age pensioner, year after year, has contributed to the fund. All he asks is what is rightfully due to him.

The hon. member for Winnipeg North Centre referred to two single men, one of whom obtained $109, and the other $110. The man with the slightly larger income was worse off because he must pay his own OHSIP fees, whereas the fellow receiving $109 does not have to pay them. That illustrates the inequalities and discriminations inherent in this bill. There are no incentives for saving. In the near future, once you reach the age of 60 you will have to rely on a magnanimous government and the money it will give you will not lift you above the poverty level. If you meet certain requirements, you will be entitled to a supplement. Will people not try to meet those requirements. Since it will not pay to save, you will either give your money away or hide it in some way so that it will not produce any income. That will be the effect of what the government is doing. It is ensuring that all our senior citizens will live on or below the poverty line.

It is true that there is to be an adjustment for the rising cost of living for those receiving the guaranteed income supplement. May I point out that there is a surplus in the old age security fund of about $725 million. At present there is just no incentive for people to provide for their old age. The government's measure, therefore, would introduce an element of inequality and discrimination for our aged population. The government should opt either for the principle of selectivity or the principle of universality. For programs such as national medicare it has opted for universality; yet, when dealing with old age pensioners it is adopting the principle of selectivity.

An hon. Member: The poorest of the aged will obtain a supplement.

Mr. Rynard: The hon. member is right. The poorest ones will get the supplement. Those who are not quite so poor must starve a little. It is hoped that the government will accept at least the modifying influence of the amendment proposed by the hon. member for Winnipeg North Centre so that we may do away with a little bit of the disappointment, disillusionment and sadness, and the spirit of Scrooge that has been written into this bill.

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, I should like to refer to one aspect of Bill C-202 and, for a few moments, speak on it. The Minister of National Health and Welfare (Mr. Munro) recently reminded us that the cost of living escalation feature was introduced in 1965 into the old age security scheme and the Canada Pension Plan. This was extended to the guaranteed income supplement in 1966 so that all our older citizens from that time on would no longer need to absorb the full brunt of the inflationary pressures in our economy. He explained that the 2 per cent maximum figure for escalation had been set in his office after taking an average of the cost of living increases over the previous ten years. Because this average had worked out to 1.5 per cent, the figure of 2 per cent had been set to provide a small margin for error. Any provision for abnormal increases was left for the government of the day; the government was to bring this before Parliament, and parliament would deal with it.

Mr. Orlikow: And what happened?

Mr. Osler: If the hon. member will just wait, he will hear what I have to say. Later, inflation began to take place at a much greater rate than 2 per cent for a number of reasons, as we all know; yet nothing was done to increase the cost of living escalation feature in any of the plans that we are now reviewing and amending in this bill. Nothing was done because the minister said that he felt that inflation can and will be beaten, and that the cost of living increase in the future can be held below 2 per cent. That well may be so. The latest figures support this hope, and the government must be commended for these latest figures. We could say equally well that if inflation has been licked, all will be well from this day forward in. My question is this: why not transmit this hope into legislation?

Actually, we have come close to doing just this in so far as the guaranteed income supplement is concerned. The government has argued that this cannot be done for the old age security scheme itself, which is universal in application, if sufficient money is to be found to help those who need help most by means of the guaranteed income supplement.

• (4:40 p.m.)

This is no doubt an unanswerable argument. We must not forget that this government—any government—must put up or shut up and face the people with its tax proposals. And taxing is not popular.

I suggest that if this line of reasoning must be accepted, however, it must itself suggest that the government does not believe it will be able to contain cost of living increases on a long term basis to any significant degree. For if it did manage to contain them, only a relatively small predictable amount of extra money would be needed for escalation of the old age security payments. On the other hand, if the cost of living continues to escalate, so will the amount that the government receives in tax revenues, because the gross national product will also continue to rise.

If the government means what the Minister of National of Health and Welfare has said, that we will ensure the maintenance of a guaranteed income floor for our older people, all citizens of this country must be asked to continue the good fight against inflation. But they must also be prepared to guarantee that our senior citizens, including those with some savings, but to whom the basic old age security payment is still important, are not left to bear the full brunt of the results if and when this fight is not waged as successfully as it might be. The minister stated the other day that we can do no less for those who have done so much to make our society what it is today; and I agree with him.

The minister correctly stated that nothing should happen to those who are only receiving $80 a month with no escalation under the scheme we are now considering. If they should eat up a portion of their savings in their old age, or if they should have some misfortune, they will then be able to fall back on the guaranteed supplement

and qualify for full escalation in line with any cost of living increases. Thank God this argument is factually correct, that it does provide a cushion. However, as an argument it is not good enough, because it misreads human nature in one crucial aspect.

Many thousands of our senior citizens are proud of the fact that they can still stand on their own feet, that they have salted away something for their old age and do not have to be a burden on anyone. The law of the land states that they are entitled to a basic old age pension which Parliament, in its wisdom, has now set at $80 a month. It is not good enough to simply state that, if we have miscalculated or if inflation catches up with us, these people can apply for the supplement. This is a degrading thought-process for them. It would be degrading in their view because it would mean that their plans had failed. If we let inflation get away from us again, it will be our fault. However, it will be the senior citizens who will feel they made a mess of things for they will be the ones who will have to apply for assistance in the management of their lives. They will have to come on their hands and knees, so to speak, to fill out forms; something they never thought they would have to do.

Although I think this is a good bill, there is one inconsistency embodied in it. We have one department or government approaching the problem of unemployment with a direct acknowledgment that the citizens of this country as a whole will have to pay for an unemployment scheme if unemployment reaches an average figure above a stated minimum. This implies that the citizens of this country have the responsibility to help the unemployed if the unemployment level reaches a certain limit. I agree with that concept. Also, we have a section of the Department of National Health and Welfare stating that if something goes wrong in the area of living costs, the citizens of this country as a whole will have to pay whatever additional amounts are required to keep those entitled to the guaranteed supplement from falling too far behind. I also agree with that principle. But, here, on the other hand, we have another section of the same department stating that the basic floor guaranteed to all old people in Canada can be left on its own to slide down to meaningless levels as a result of the same inflationary process.

Yet the complete package is good, even though there is an inconsistency which I find difficult to understand. The hon. member for Winnipeg North Centre (Mr. Knowles) stated that the bill is inconsistent in principle. I do not agree, I think the principle is consistent throughout, although there is this one inconsistency.

Mr. Orlikow: That is like being slightly pregnant.

Mr. Osler: Keep quiet and you will learn something. I cannot support any amending motion or arguments dealing with this bill at this time. The minister must have support, because the measures contained in it will significantly benefit millions of Canadians. The minister stated that Parliament can change the $80 basic pension any time it wants. I beseech him to speak to his colleague, the Minister of Finance (Mr. Benson), before the next budget is brought down, to propose to him that funds be made available for the coming fiscal year, funds that will enable us to build an escalation into the basic pension, thereby allowing the people of this country to help all those old age pensioners who may be affected by inflation.

[Mr. Osler.]

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, the House is now considering Bill C-202, an Act to amend the Old Age Security Act.

In introducing this bill, the government has shown once more its willingness to extend its public support of exploiters under the pretext of a fight against inflation.

This piece of legislation is more disturbing than it is impressive. Actually, it is just another repetition of the government's endless tactics to maintain its police action in order that the minimum assistance provided by law to old people is not exceeded. I am sure, however, that in our police state there are still people who have their fun.

I have in mind the officials of the Department of National Health and Welfare who commissioned this Bill C-202. I am thinking also of the people who wrote this bill. In my opinion, the ones who were required to prepare the main part of it and whose fun is not over yet, are the C.A.'s, I mean the "congenial accountants".

Imagine that in the course of their work these very clever people succeeded in splitting the Canadian cent. In clause 3(1) we read:

> Subject to the provisions of this Act and the regulations, a monthly pension—may be paid to every person who—

In fact, this clause is proposing an increase of $5.04 a year, or 42 cents a month, or 1.4 cent a day. Everyone who knows that it takes 100 cents to make a dollar will agree, I presume, that this is a master stroke.

In the white paper on income security for Canadians, page 15, we read:

> The government considers that additional measures for the alleviation of poverty should be instituted as soon as possible as a first step in a well-defined and unified conceptual approach that will lead in time to the provision of a decent measure of security for all people.

Mr. Speaker, an increase of 1.4 cents a day as a first step is no great shakes. If this government considers the present bill as a first step, they just cannot miss. But obviously an increase of 1.4 cents in favour of elderly citizens represented the most effective measure to subject them to rationing and to insure all of them a decent security level.

It must be admitted that this bill does reflect the recommendations of the white paper on income security. No mistake can possibly be made. This is a long-term program which is far from satisfactory. By the way, we are considering a bill respecting senior citizens who contributed in developing this country, brought the land into cultivation, constructed railways, highways, plants and schools. They had to go through economic crises and wars which claimed sometimes the lives of some of their relatives, for all of which the government claims to be showing its gratitude by introducing Bill C-202, whereas all the legislation purports is an increase of 1.4 cents per day in their pension.

Mr. Speaker, speaking of the Liberal party convention which took place in November, the Prime Minister (Mr. Trudeau) expressed himself as follows:

I have said repeatedly that inflation is taxation's most regressive form since it strikes hardest at those who cannot defend themselves, either because they do not belong to the limited group of shareholders or great businessmen, or because they are not members of a powerful trade union.

Mr. Speaker, after that, the Prime Minister could have added: Our words are quite different from our deeds.

Mr. Speaker, I suppose that it is under the pretext of inflation that the government offers 1.4 cents per day to our senior citizens. As the Prime Minister said so well, and I quote: —because they cannot defend themselves, because they are not members of a trade union, because most of them are not either among the shareholders of big companies.

The group of people concerned by Bill C-202 deserves more than an increase of 1.4 cents a day. They have paid for their security a long time ago and they are not responsible for the increase in the cost of living. It is really ridiculous to make them share the increased cost of living, because labourers, housewives and retired people did not bring on inflation.

Inflation has been brought on by finance. It is by paying two or three times what we built once, what the government has prepared, which is the cause for inflation.

On page 88 of *Hansard* of September 16, 1968, concerning a question asked to the minister responsible for the National Harbours Board about the cost of Jacques-Cartier bridge, we can read a letter from Mr. Clément, superintendent engineer of bridges addressed to a certain Mr. Chénier of Montreal, which reads as follows:

Dear Sir:

Your letter of May 9, 1968, requesting some information on Jacques-Cartier bridge, has been brought to my attention. I am pleased to supply you with the following information:
Original cost of the Jacques-Cartier bridge—$18,571,308.71
Amount of the interests paid to date—$20,198,266.53
Balance to pay for the bridge—$14,065,605.39

This Jacques-Cartier bridge phenomenon is not unique. It takes place every time a development projet is carried out by federal, provincial, municipal and school authorities. However, in Quebec interests on school debts collected as a whole by school boards represent every day the value of a regional school, which means that each year, we give the equivalent in interest of 365 regional schools.

It is not surprising that with such gifts, the economy of Quebec, a supposedly poor province, should be somewhat perturbed. In the present system, the province of Quebec is not the only one to be perturbed. All Canadian provinces are presently facing difficulties.

To come back to pensions, the proposition provided in the bill for those who enjoy no other additional income is $135 for 1971. With the escalation rate of 2 per cent, this pension will reach $149 a month in 1975, that is $1,788 a year. Also, as the inquiry of the Senate Committee on Poverty discloses that those whose income is less than $1,944 a year in 1970 are living in dire poverty, it is evident that this government bill is already out-of-date.

In short, it is because this bill is recommending measures whose application will be spread over a six-year period, which is already considered insufficient to live on today, and is within the poverty limit, that on behalf of the Ralliement Creditiste, I tried to bring in the amendment appearing in the orders of the day and which reads as follows:

That Bill C-202, An Act to amend the Old Age Security Act, be amended by deleting in Clause 1 all the words after the word "of" in lines 10 and 11 at page 1 and substituting therefor:

"one hundred and fifty dollars to every person who has attained sixty years of age."

Mr. Speaker, we, of the Ralliement Creditiste, have presented this amendment because we feel that the Prime Minister, who is a bachelor and who has been a millionaire since his birth, has no idea of the financial problems and other difficulties of those who cannot work.

He gave us further proof of this in November, at the Liberal Congress, when he said, and I quote:

When the Old Age Security Act was amended, we provided an escalation of benefits of 2 per cent per year so that benefits would increase with the rise in the cost of living—

Unfortunately, for the past three or four years inflation has increased at a much higher rate than expected and consequently the intent of the legislation has been frustrated.

Mr. Speaker, those are the very words of the Prime Minister.

• (4:50 p.m.)

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Abitibi (Mr. Laprise)—Canadian Broadcasting Corporation—Invitation supposedly addressed to François Girod; the hon. member for Brandon-Souris (Mr. Dinsdale)—Air Transport—Fares based on Canadian dollar pegged at 92 cents—payment of compensation for overcharging; the hon. member for Spadina (Mr. Ryan)—Immigration—Reasons for decrease in number of Chinese admitted to Canada.

Mr. MacEachen: Mr. Speaker, I understand there might be some willingness to dispense with Private Members' Hour and continue with the business which has been under consideration this afternoon. If that is the case, I would certainly be willing to give our consent.

Mr. Baldwin: On our part, there is not only willingness but eagerness, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Same here.

Mr. Deputy Speaker: It is agreed that we will dispense with Private Members' Hour for today?

Mr. Baldwin: No vote until after eight o'clock, though.

Mr. MacEachen: Perhaps I might say it would be preferable if we were to postpone any vote until after eight o'clock and not take any vote during the time normally set aside as the Private Members' Hour. It has been suggested this would be a good arrangement.

Mr. Deputy Speaker: It is agreed that this be part of the arrangement?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

OLD AGE SECURITY ACT

AMENDMENTS RESPECTING AMOUNT OF PENSION, MAXIMUM SUPPLEMENT AND ESCALATION THEREOF

The House resumed consideration of Bill C-202, to amend the Old Age Security Act, as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs.

[*Translation*]

Mr. Godin: Mr. Speaker, I was quoting the words of the Prime Minister.

Mr. Speaker, if an incompetent mechanic ruins the engine of my car by taking out certain wires he will not be surprised at the result. But under the present government the economy always provides disagreeable surprises.

Even if the Prime Minister is surrounded by so-called competent economists and thinkers, the members of the Economic Council make each year some forecasts which are supposed to be workable, but unfortunately the results are always different from the ones anticipated.

So, Mr. Speaker, in order to avoid more surprises to the Prime Minister as regards the old age security, I would suggest that the present escalation rate of 2 per cent be abolished and replaced by 2 yearly rate pegged to the cost of living index.

Another point I would like to raise is the case of ordinary married couples. Under the present system, married people are severely penalized. Our legislation obliges the head of the family, or the wife if she is older and has reached the pension age, to support his or her spouse in sharing the $111 received once he or she is eligible for pension. Generally the husband is older and the wife must wait until she reaches the age of 65.

But the wife may be the older. It so happens that I have in mind the case of a 63-year-old man who had withdrawn a disability pension for two years and who saw his pension cancelled last April because his wife was eligible for old age security pension and for the guaranteed income supplement, which all in all amounted to $111. Therefore, the wife has an "obligation" toward her husband. This situation is nothing to be proud of for a so-called civilized country.

However a common law couple in the same age bracket is granted two pensions: one for the man and the other for the woman. For those who live together without any marriage contract and who have no "obligation" toward each other, this government is most generous.

Mr. Speaker, if it is possible to support couples who have no marriage contract, I feel that it would be normal to extend the same privileges to married couples.

There is no provision about it in the bill. I suggest that when the head of the family becomes eligible for the pension, his spouse who is disabled or unable to earn his living should become eligible too, whatever his age.

The hon. Minister of Health and Welfare pointed out that the new program as it is would cost $200 million more than it does now. However $200 million are nothing by comparison with the government budget of $13 billion and a national product of $80 billion in 1970.

In my opinion, no other group deserves security more than those who built our country as we know it. They have worked so much that the government is now burdened with surpluses in several sectors, such as food and clothing.

When the $40 pension was granted, the government made believe that it was impossible to pay more. The pension was increased to $111; however, I understand that the old-age security costs now amount to $720 million.

If all manufacturers, traders and businessmen were satisfied with a minimum, bankruptcy would be close at hand for them. For that matter, ambitious businessmen simply do not aim at a minimum. They aim at a maximum.

The Canadian economy has now become ill because, for too long, the government was satisfied with granting a minimum to students, widows and older citizens. Indeed, our economy is ill. There is a slow-down in all departments. Eventually, we will have to wake up. And if the government's treasury gets empty, despite the normal levy of taxes, only one thing remains to be done; the government should meet the needs of its citizens through new credits. I shall conclude by saying that the Bank of Canada was established to serve the country, and when the fund is exhausted, the government should resort to it to obtain the necessary credits for the implementation of a maximum old-age security program. Such a program is always possible if we make use of the surpluses of the Canadian production. The policy of destruction as applied in payments granted to farmers to promote reduced production, has already lasted too long.

In the end, those who have built this country have won only hardship; consequently, this government, strong in its majority, must act by other means than the 1.4 cent premium.

• (5:00 p.m.)

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in rising to speak in support of the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles), it seems to me that freezing the old age pension at $80 for those who do not qualify for the guaranteed income supplement brings forward many contradictions in the government's own white paper. It really shows that the approach to welfare in the White Paper is a mish-mash that will create as many injustices as it is intended to correct.

First of all, the freezing of the old age pension at $80 is evidence of what the government has decided on in the matter of selectivity. It is true that the belief that the principle of selectivity for all welfare payments should be adhered to is gaining credence with some people. But certainly in this instance the problem of selectivity runs slam-bang up against the fact that old age security is aimed at those people in society who, by and large, cannot earn enough money in the market to keep themselves. Therefore, the state is required to provide them with a basic income, regardless of their station during their working years. This point was accentuated by one of the illustrious Prime Ministers of the party opposite. Mr. St. Laurent, as Prime Minister at the inception of the universal old age pension, emphasized that every Canadian was entitled as of right to old age security regardless of income.

In looking at old age security as a welfare program we have to remember that it is a program for a group of citizens who have finished their working careers. No matter how much they might wish to earn their living by working, they are usually prevented by infirmity from doing so. This is not true to the same degree of family allowance recipients. The parents who are recipients are usually in the earning age group. Grants to individuals for education are again given during the recipients working years.

In other words, selectivity in the case of the old age pensioner falls down because the recipients are at an age where they have not nearly the options open to them that are open to a people who are receiving assistance from the goverment in many other forms. Old age security has been contributed to, indeed paid for, by citizens throughout their working careers. As taxpayers, they have been paying 4 per cent on their income tax, assisting the corporations to pay 3 per cent on their taxes, and they have paid a 3 per cent sales tax on goods. The old age security fund is quite solvent, carrying a balance of over $700 million.

Approximately 52 per cent of the people whose old age security is being frozen do not receive the guaranteed income supplement. These are people who managed to set aside some money in their active years and are now finding they are being penalized for their effort. Some of them may have a double grievance: if they were pensioners in January 1966 they were automatically excluded from the Canada Pension Plan. They were, of course, entitled to old age security, as stated by Mr. St. Laurent at the inception of the universal old age pension plan.

But what has happened since 1966? They have suffered greatly from the effect of inflation, even taking the cost of living index, so dear to the hearts of the bureaucrats, as a reliable indicator. In view of the great wage-price increase over the last few years it seems a pension of at least $90 would bring them into line with what the 1966 pension rate would have brought them.

Up until now, they have been inadequately compensated by cost of living increments limited to 2 per cent. But what happens now that their pensions are being frozen at $80 and the government anticipates continuing inflation? They are to lose this slight concession of 2 per cent to which they were entitled. The minister stated that inflation was lower in the month of November but he will find, as reported in news items, that the cost of living was less because of a drastic decrease in meat prices, mainly pork. Anyone who is at all familiar with farming will realize that this is very temporary and no doubt an increase in farm prices must come about or farmers will be worse off in a short while than anyone else in the economy.

• (5:10 p.m.)

It would be a mistake to conclude from a reading of the consumer price index that the worst is finally over; it is not. A resumption of significant price increases must be expected next year. Wage level settlements are in excess of 9 per cent for the first year and increases in productivity could not make up for that.

The November price index indicated a 2.3 per cent increase for 1970 and the flattening of the increase in November can be directly related to the discount war on food prices; prices which are likely to rise again. Food is given a weighted index of 27 in preparing the index. Furthermore, the government's policy of restraint comes to an end at the end of this year. Organized labour is committed to obtaining as high an increase in wages as it can. Steel and aluminum price increases were announced a few weeks ago and they will finally reach the consumer.

The relief experienced by the rise of the consumer index cannot be counted on to be maintained in the coming year. Industry has to retain some assurance of profitability if the economy is to grow, and that in all likelihood will mean higher prices. Those whose incomes are low enough to receive guaranteed income supplement payments still continue to receive price related adjustments both for the flat rate payment and the supplement. By this means, which seems manifestly unfair, the government will make unassisted pensioners subsidize others by $15 million, increasing to $100 million in 1975-76.

Here again, the principle of selectivity in dealing with old age security runs completely contrary to the principle of universality, which the government intends to invoke in respect of the unemployment insurance fund. On the one hand, we have a defenceless group of citizens, old age pensioners, who cannot go into the market and increase their incomes, with rare exceptions. They are being singled out as the whipping boys for the government's idea of selectivity. The government intends to sweep in over a million people under unemployment insurance coverage,

most of whom do not want insurance, have never yet been unemployed in any significant numbers in their various occupations, but who will have to pour money into the unemployment insurance fund so that large benefits can be paid. Workers who will be affected are surely those who have strong bargaining powers in the economy, such as teachers and civil servants who know their wage negotiations will effectively gain back most of the money taken from them to pay for unemployment insurance.

It seems to me that when dealing with old age security, it is important that the principle of universality be maintained. These people have paid for this in their taxes and are entitled to some modest compensation in relation to inflation. The 2 per cent factor has been deleted, and this at least did something and is an important principle to maintain. It did not adequately reflect inflation over the past two years, but it did do something to keep the principle alive.

In addition to my remarks about inflation, I should like to present a plea on behalf of this group of people over 65 who are entitled to a share of the increased wealth of this country. There has been a slow growth in the real wealth of our Canadian economy, although it has been stagnant this year. In any event, all Canadians are entitled to share in this increase. Workers in highly unionized industries are, through wage agreements, able to achieve this share. Entrepreneurs and even non-unionized individuals are able to increase their share of the real wealth of the country as a result of automatic adjustments in the economy. Unless a citizen over 65 is unusually skilled or still has a saleable ability he is precluded from this, except perhaps through some accruement of savings which he may have accumulated. Perhaps it is difficult to assess what the real increase is in order to bring him up to the equivalent level of 1966, but I think it might well be in the neighbourhood of $10 per month. If one added the inflation factor to the 1966 rate, this would make the old age security pension close to $100.

I feel this freezing of old age security points out the great weakness of selectivity. We are dealing with an age group which can only obtain a share of the economy through the action of government and not by their own efforts or the skills they may possess. I am very unhappy that this clause has been deleted. I think it would have been more just had the guaranteed income supplement been frozen, to be reviewed by the government and Parliament at appropriate intervals. We must assume that guaranteed income supplements are for those who have little or no means of supporting themselves other than by what the guaranteed income supplement brings them. Therefore, it is incumbent upon Parliament and the government to provide these people with whatever the economy can afford at a given time.

I wholeheartedly hope that the government will retain the 2 per cent factor and see fit to adopt this amendment.

[*Translation*]

Mr. Jean-L. Rochon (Ahuntsic): Mr. Speaker, a few days ago the hon. Minister of National Health and Welfare (Mr. Munro) tabled in the House a white paper on income security in Canada.

Having studied the content of that white paper, one realizes that it proposes that all allocations directly paid by the federal government be redistributed in such a way that those who need them most will benefit more from them.

Further studying the content of that white paper, one realizes that its proposals can be considered in the context of a rationalization of income security programs, a rationalization which will go a long way toward preventing and lessening poverty in Canada by redistributing the money of the system in a more equitable manner.

It is believed that the living conditions of millions of low income people will thus be improved, thoudands of others will be prevented from becoming destitute and the basic revenue of most citizens will be given greater protection.

The more we examine that white paper, the more we see that it is a sort of challenge, consisting in a new income security policy that would enable us to help the people who need it most.

I listened very attentively to the hon. members who spoke or who, like the hon. member for Winnipeg North Centre (Mr. Knowles), moved an amendment. I do not question their sincerity. I am convinced that like us, they have but one ambition, that of helping those who really need it.

The government is blamed for introducing Bill C-202, which would freeze at $80 the pension now granted to people 65 or over. We would certainly like to do more than we can at the present time. It is very well to say, in the midst of a great speech: We must give $150 or $200. If we had to give those $200, I wonder how we could administer this country's business.

We regret that we cannot do more than that. I had an opportunity to say so, in committee, when we discussed that bill. It takes courage to tell the people what we are telling them now and to make them understand that we cannot give more than $80 to older people.

We are paying only $80 because we want those who are really in need, who should get the income supplement, to get it. If we pay only $80 to those who need the income supplement, as the white paper points out, we will give the poorest a more substantial assistance. Instead of $111 this would mean a $135 pension which, within a few years, would reach almost $150. In introducing Bill C-202, the government has only one ambition which is to help those who actually need it. To those who tell us we are not doing enough we shall answer that to administer is to foresee and this should encourage us in avoiding all unjustified expenses.

We would like to keep on granting the 2 per cent increase in addition to the guaranteed supplement but this entails enormous expenditures which the government cannot afford.

To administer is to foresee. This bill aims at helping our elderly people. This is why as a government member I am proud to vote for it.

• (5:20 p.m.)

[*English*]

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, during the course of this debate I believe we have had about all the facts and figures that could possibly be given regarding this legislation. In speaking on second reading and when the bill was before the committee, many members outlined the reasons they believe this bill fails to meet the elementary needs of the old age pensioners in this country and the elementary standards of justice and fairness which have been built up for so long in the establishment of the principle of universality in old age pensions. This afternoon in particular my colleague the hon. member for Winnipeg North Centre (Mr. Knowles) very thoroughly covered the ground again.

I was interested to note that the hon. member for Winnipeg South Centre (Mr. Osler) is not at all convinced about this legislation. He appears to be very unhappy about this feature of removing the escalation clause for the people who will now be on the $80 fixed pension. He gave every evidence of this because he indicated that he trusts that when the Minister of Finance (Mr. Benson) brings in his next budget, if there should be an increase in the cost of living, ways and means would be found to bring back the escalation provision. I suggest that part of the reason the hon. member for Winnipeg South Centre sees this so clearly is his location vis-à-vis the hon. member for Winnipeg North Centre and the fact that the hon. member for Winnipeg North Centre has succeeded in reaching the older people across this country in such a way that they are able to understand what has been happening. He has been able to open their eyes concerning what is happening in respect of this bill. If the hon. member for Winnipeg South Centre can be shaken in his belief that this bill is what it should be, I believe it would be an excellent idea if we could find ways and means to bring some of the other members of the government into much closer proximity to the hon. member for Winnipeg North Centre.

This bill contains many faults. The amount is completely inadequate. The flight from universality to selectivity has been accelerated and continued. That flight began in 1966 with the provision of the so-called guaranteed income supplement. As I said at the time in my view it was a complete prostitution of the English language to speak of it as a guaranteed income supplement. It was no such thing. This bill also increases the divisiveness among our citizens. It separates the elderly citizens into two groups, with the poor having to finance the destitute. The freezing of the amount of $80 indefinitely is indeed a very bad thing. The one comfort we have is that the "indefinitely" may not be very long when the facts concerning this matter are known by a large enough group of people across this country. It will not only be the elderly people who will face the impact of this $80 freeze in respect of the old people of the country. In my correspondence I have a great many letters in which the point is made over and over again that the sons and daughters of elderly people, hard-up as they are through trying to bring up their own families in decency and with education in today's conditions, are hard hit when they find that in addition they must help finance their elderly parents.

This is the situation we started to get away from in 1927 with the provision of old age pensions in the amount of $20 a month at age 70 with a means test. A couple of labour Members of Parliament, with a few farm members thrown in, about 15 or 16 members in all, were able to take advantage of a balance of power situation to force this old age pension legislation on a government which did not wish to have anything to do with it. The Liberal government in those days did not wish to have anything to do with such legislation. The truth that Liberals and Conservatives have no sympathy whatsoever for this type of legislation lies in the fact that this pension legislation which was enacted in 1927 was the first social security legislation to appear on the federal statute books of this country in which the two old parties had been in power since 1867. Eventually, we secured universality in the old age pension. But now we find the government is using its position of power to begin to retreat again and attempt to get rid of this legislation bit by bit.

• (5:30 p.m.)

My next point concerns the removal of the 2 per cent escalation provision from those who are frozen at the $80 level. The hon. member for Winnipeg South Centre (Mr. Osler) is no longer in the chamber, but I want to point out that when he spoke he was on both sides of the fence, draped half on one side and half on the other, which I might assure him was a rather ungraceful position for a person of his physical stature and looked very uncomfortable. He seemed to be undecided about which side he would flop on to before his speech was finished.

If it was a good thing, a desirable thing to remove the 2 per cent escalator provision with respect to people receiving $80 a month, why is the government not proposing legislation to eliminate that escalator feature from the Canada Pension Plan, the retired public servants legislation, the armed forces pensions, the pensions of Members of Parliament and other federal pension plans? Why does it not do this with these other pensions as well? There is only one reason, and that is that the government knows it can get away with it where old age pensions are concerned. The people receiving the Canada Pension Plan are too well organized to permit the withdrawal of that clause in their case. The retired public servants are too well organized to permit the government to withdraw that clause in their case. Likewise, the armed forces are too well organized. Members of Parliament would shriek to high heaven if anybody suggested taking the escalator clause from their pension plan.

This is a very mean thing that the government is doing to our elderly people. Our elderly people are helpless: they are not well organized; they are without friends in high places. That is why they are discriminated against. But, Mr. Speaker, the worst feature of this whole business is that we cannot turn down this legislation in spite of all the injustices and wrong things in it, simply because of the ingenious and diabolical way in which it is worked. Our old people are divided into two classes and

the poor are made to finance the destitute. When a man or woman is drowning, you cannot tear away the pitiful little stick that is held out even though you know the holder of the stick has a life preserver locked up somewhere that he will not bring out. I cannot vote against this legislation—

An hon. Member: Because your party won't let you.

Mrs. MacInnis: No, it is not because my party won't let me. I do not belong to that kind of party. It is because these elderly people, the ones in the lower group, are so hard up that you dare not take away even the little bit that is offered.

An hon. Member: Then it is not diabolical; it is Machiavellian.

Mrs. MacInnis: It may be Machiavellian, but those of us who know anything about Machiavelli know he was first cousin to the devil. This is what makes us so bitter about this legislation. Many old age pensioners do not have the full import of it yet, but some have. Rather than go over again our feelings about it, I will let some of the old age pensioners speak for themselves. I make no apology for telling the House what some of them are saying. I will tell hon. members about a woman in my riding, the wife of a veteran. She appealed to me some time ago before this legislation came along. Her husband had served overseas and had a pitifully small pension. They received war veterans allowance for a little time but were unable to do very well even with it.

Last summer this woman appealed to me. She asked, "As my Member of Parliament, can you help me? I have been told that my whole system is being poisoned because I have abscesses on all my upper teeth. If the teeth remain, I shall be poisoned completely. My stomach is in terrible shape now with ulcers, but if they take my teeth out my health will suffer because I cannot afford dentures." This woman had no resources. She could not participate in medicare. She was practically crying when she talked to me. She said, "I have never taken charity in my life, but can you help me?" I said, "I don't know, but I will try." I scrounged around and found a voluntary fund in Vancouver that was able to help her. Thanks to that voluntary organization her health was saved. She wrote me just the other day as follows:

My new dentures have been a godsend—no more throbbing, infected gums and the teeth look very nice.

I ask the Minister of National Health and Welfare (Mr. Munro) whether he is proud of the situation in our country where this woman and others like her have their pensions frozen at $80 and are condemned to throbbing, infected gums and poisoned stomachs. Here is another letter from my riding:

I am writing this morning about my old age pension which isn't enough for me to live on when prices are going up all the time on everything we have to buy. So, I would like to see it raised another ten dollars. I might be able to get by on that. Hoping to hear from you soon.

[Mrs. MacInnis.]

What am I going to tell her, Mr. Minister—that her pension is to be frozen at $80 and that the escalator clause providing 2 per cent according to the cost of living will be cut out? That is what she will learn for Christmas. Here is another letter which I received:

I think the old age pension is away below what a normal person needs. It is an injustice for Parliament to expect the older citizens to live with dignity on this low amount. Therefore, I am asking you as the member representing us in the House that on all questions regarding this you vote to improve their miserable existence.

Here is another:

As a taxpayer for over 40 years I feel it is time that our government spent a bit of money on us senior citizens. We are finding it very difficult to live on $79 per month, and since my husband receives a small pension of $65 we are not eligible for the supplement income. Therefore, we have to pay for all our medicine—over $300 per year—pay medical insurance, etc.

Our rent has been increased and the price of food is going up —in spite of Hon. Ron Basford and his teddy bears.

I guess she forgot about Hon. Ron Basford and his peanut butter. The peanut butter has come down, it seems.

There seems to be an abundance of money for all sorts of royal commissions, salaries, etc., and we are very concerned about the small amount which we are forced to exist on.

Can you do something to help us?

Mr. Minister, is this the best you can do for this woman and thousands like her in this country? Here is another letter:

• (5:40 p.m.)

As an old age pensioner, I would like to draw to the attention of the various levels of government of this country our desperate plight. I feel our dollar value is putting us in the "poverty bracket".

I would like to see some help such as: increase the tax exemptions for retirees over 65 to $3,000, and free health services such as free drugs and an increase in the old age pension itself to meet the ever-increasing cost of living. The dollar has eroded to the point where my small savings, which at one time seemed adequate, have long been going down to nil.

Would appreciate it if you would work for us all in your capacity as an MP toward this goal. We have a great country, and pioneers should be given some consideration.

If we can find money for commissions, boards, Members of Parliament, Senators and things like the *Bonaventure*, why can we not find money for these pensioners? I do not only hear from people in my own riding. Here is a letter from Montreal:

I am appealing to you on behalf of the old age pensioners. The government should give $150 a month to the pensioners. Last year the government gave them an increase of 2 per cent, when the cost of living has gone up 20 per cent to 25 per cent. No one can exist on $110 a month. My rent is $110 a month. Then I have phone and gas and electric, a charwoman once in a while. So you see how much I have left for food. In 1929, before the break in the market, I had a nice home, a country home, a car, a servant.

This writer is better off than the average.

My family used to go to Europe. I had a nice business. Three years later the bank took over and sold me out completely. I

was left struggling, with my wife and three children but I managed. I lost my wife 22 years ago and my older daughter 12 years ago, and I am going to be 91 next month so what can I do? I worked till last year, selling textiles to coat and suit and dress manufacturers, but I cannot walk much. I used to walk ten miles a day.

I hope you can do something for us.

I make no apology for reading these letters, Mr. Speaker. The hon. member for Winnipeg North Centre (Mr. Knowles) could read thousands. I am reading a few today because I want the minister to know how these people are faring. Here is another one, from Kingston, Ontario:

My husband and I are old age pensioners, 82 and 76 years old. We are constantly worried about the rising cost of living with the small pensions we have to live on. My husband worked for the Canadian National Railways for 42 years continuous service and his pension has never increased from $126 since he retired at 65. Due to this pension we each receive the reduced pension of $79.58. From this monthly income we have to pay $12.50 a month hospitalization, $5.90 a month for OHSIP, $75 a year income tax. Add to this drugs, rent and food. It is impossible to live in a manner which we as Canadian citizens—

The Acting Speaker (Mr. Laniel): Order, please. I regret having to interrupt the hon. lady, but if she wishes to continue reading these letters she will have to get unanimous consent.

Mrs. MacInnis: May I have just a minute more?

The Acting Speaker (Mr. Laniel): Does the House give consent to the hon. lady to continue?

Some hon. Members: Agreed.

Mrs. MacInnis: Thank you, Mr. Speaker. I will take just two minutes. I shall omit the rest of that letter because I have one here that is particularly pertinent:

I am a widow, old age pensioner, with a small pension besides and a small $10 to $15 to draw on when things get very tight on $127.26 a month.

Because of the above, I rank with the "haves"; but I wish Mr. Munro, Mr. Trudeau and Mr. Benson would realize that we "haves" have to pay the same for our utilities, telephone, medical plan, not to count prescriptive medicines. Being an arthritic with very bad hips—using a cane—my monthly medicine bill runs around $12.50 to $15, so you see we have the same disbursements as the "have nots".

I do hope you will be able to bring these vital points home to officials because I am not the only one to whom the 42 cents is an insult, and the difference is very unfair.

Thank you again.

Here is another one:

I would like you to point out to Mr. Munro, the minister responsible for the paltry raise in the old age pension basic rate, that 42 cents amounts to less than two cents a day over 365 days. Personally, I am in favour of sending the 42 cents back to the government and saying that they must need it to pay the $35,000 yearly salary of the cabinet ministers.

I have not had time to read the letters from New Brunswick, Nova Scotia and other places. I just want to say in conclusion, Mr. Speaker, that in my view the very least we can do to salvage something for the people frozen at $80 is bring back the 2 per cent escalator clause. Are we saving that cost of living feature for the people retired from the civil service, the Canada Pension Plan people, Members of Parliament and a host of others? Why can we not give it to the people who need it so badly, the old age pensioners?

I urge all members to vote for this amendment, but I also urge the government to make the amendment unnecessary by stating that it will change the legislation and bring some small measure of justice to elderly people at this time.

The Acting Speaker (Mr. Laniel): Order. Is the hon. member for Don Valley (Mr. Kaplan) rising on a point of order?

Mr. Kaplan: Yes, Mr. Speaker. I wonder if the hon. member would permit a question even though her time has expired.

The Acting Speaker (Mr. Laniel): Order. Because the time of the hon. lady has expired, this could only be done by unanimous consent of the House. Does the House agree to allow the hon. member for Don Valley to ask a question of the hon. lady?

Some hon. Members: Agreed.

Mr. Kaplan: Mr. Speaker, I can understand that the names of the authors of these letters should not be put on the record. However, I think it would be interesting to have the name of the voluntary organization referred to which provided dentures for the lady with the abscessed gums.

Mrs. MacInnis: Do you know why I do not want to supply that information, though I will give it to the hon. member afterwards? If I were to state the name publicly, there would be such a run on the fund that it would be dry by tomorrow morning.

Mr. MacInnis: Any more questions?

Mr. Knowles (Winnipeg North Centre): Any more abscesses, Don?

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, before commenting on the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles), I think it only right and proper to say that while the ladies of Canada have only one representative in the House of Commons, when I hear her make pleas on behalf of worthy causes—and most of her causes are worthy—I feel that she makes up in large part for the lack of female representation. I wonder how many extra days we would be sitting if there were more like her in the House of Commons?

Mr. Knowles (Winnipeg North Centre): We would get more done.

Mr. Coates: The hon. member for Winnipeg North Centre says that we would get more done. That depends upon whether the government had the women or whether the opposition had them. If the government had the women, perhaps we would get more done. I believe that if the ladies in the opposition were as effective as the hon. member for Vancouver-Kingsway (Mrs. MacInnis), there would not be enough days in the year to listen to all the complaints, many as justifiable as this one.

• (5:50 p.m.)

Mr. Speaker, on past occasions when legislation of this type was proposed I indicated that I was opposed to either a means test or a needs test. I reiterate my attitude in this regard. I believe that we ought to introduce an income ceiling or another type of system which would eliminate the investigative procedures under which people are subjected to a means or needs test by government officials, as is the case in the program with which we are now dealing. I think, Mr. Speaker, that our present system says to Canadians, "There is absolutely no value in your saving, because if you save you will merely jeopardize the kind of assistance that may be available to you from the federal government. If throughout your lifetime you contribute nothing, save nothing and become almost totally dependent upon the welfare state, you may do well. On the other hand if you work hard and contribute much, you will receive only a bare minimum from the federal government."

By giving the people of this country the great raise of 42 cents a month that is enshrined in this legislation, the government has told them, "This is your great reward." In 1957, one of the main issues in the election campaign was the two cups of coffee that the Liberal government promised if it were returned to office. At that time it did not propose increasing the old age security pension immediately from $40 a month to $46. The Liberal government of the day said, "We will do that after the election. If you elect us, we will give you $6 more per month." The people of Canada did not elect the Liberals; consequently, the people received $15 a month more. That was a fair increase.

The government is now saying to the people of Canada, "We have investigated in depth poverty in this country. We have brought down a white paper and this legislation, and on April 1 next we will act." The government says that it realizes there is difficulty now. That fact is accepted by everyone. In spite of this, it says to our people, "Even though at present there is at least $725 million in the fund, you will have to wait until next April for any action." The people of Canada have been told that the just society which this government talks about—it talked about it a great deal during the last election campaign—will not become effective for the old age pensioners of this nation until April 1, 1971.

The need for action is evident now; it is especially necessary for many of the 1,700,000 people who are recipients of the old age security pension and the guaranteed income supplement. The government says that the supplement is not sufficient, that the $25.75 now available as an income supplement ought to be increased to $95 a month for married couples and $55 a month for single persons. At the same time, it says that while there is an evident need for that increase today, our people will have to wait until April 1 before they receive any increase. This is a pretty callous and heartless approach. It is not one you would adopt if you had any true feeling for those in this country who are suffering from degradation, who are being deprived of the substance of life, who are being deprived of their dignity through having to subject themselves to a needs or means test and to investigations carried out by bureaucrats. Nevertheless, that is the situation.

The rules and regulations introduced by this government that has talked about the just society are such as to suggest to people: If you live until April 1, 1971, we will see if we can put a bone with a lot of gristle and not too much meat on your table. That is about the size of it. This is being done by a government that has endeavoured to leave with our people the impression that it is concerned about them. Well, Mr. Speaker, it is not a true concern; it is a phony concern.

Mr. Bell: Hear, hear!

Mr. Coates: It is a concern that stopped on the day the Prime Minister (Mr. Trudeau) led his party to victory in the election of 1968. The slogan "just society" never is found on the lips of Liberal supporters today. It is a forgotten slogan. They do not even mention it any more. What the just society means for the old age pensioners of this country is that there will be no action before April 1, 1971. The government says to them, "In the interim you may live the best way you know, or you may die, for that matter." If a pensioner owes as little as the $6.20 the hon. member for Simcoe North (Mr. Rynard) mentioned, the government says, "We will sue you for the money. We will collect it from you; and if you die we will sue your estate." Apparently the government is very anxious to protect the taxpayers of this nation, even to the extent of suing the estates of pensioners for tiny amounts of money. There is not much justice and there is not much of the just society in Bill C-202, so far as I am concerned.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. John Gilbert (Broadview): Mr. Speaker, I do not believe in too much repetition; that is not my worst vice.

Mr. Hogarth: What is your worst vice?

Mr. Stanfield: Tell us.

Mr. Gilbert: The hon. member for Winnipeg North Centre (Mr. Knowles) has set forth the position of our

party with regard to the amendment before us. The Liberal party is destroying the democratic process of this country. There have been two glaring examples of the cabinet arriving at a decision and imposing it on the members of this House. With regard to the War Measures Act and the temporary public order act, the Minister of Justice (Mr. Turner), a man of fine instincts and high intellect, having been presented with this bill by the cabinet forced it upon the members of this House without accepting any reasonable amendments put forward by the opposition. Examples of the reasonable amendments put forward were those dealing with a review board and bail.

Once the cabinet decides on a particular bill, they impose it upon the members of this House because the government has the majority. This bill is another example of the government destroying the democratic process. The democratic process depends upon persuasion. If the members of the opposition can persuade the government with regard to an amendment, the government has a moral duty to at least consider it and possibly implement it. The amendment now before us would insert the escalation clause in connection with the old age security pension of $80 a month. The Government, through the cabinet, is telling the members of the Liberal party that no change will be made. I reviewed in *Hansard* the second reading debate on this bill. There are over 150 hon. members in the Liberal party. Only the minister and three other Liberals participated in the debate on one of the most important bills introduced this session.

I recall the President of the Privy Council (Mr. MacEachen) introducing the guaranteed income supplement in 1966. He departed from the principle of universality which was implemented by the Liberal party in 1952. We had a very spirited debate in which the minister actively participated. I am rather surprised that he has not taken part in this debate. The fact that he has not strengthened my argument that once the cabinet decides upon the content of a particular bill, even though the opposition may plead and exhort it has no impact on the government. The result is destruction of the democratic process. A continuation of this attitude will make the members of the Liberal party puppets of the government. They will not be able to contribute to the debate on this bill.

The hon. member for Winnipeg North Centre has set forth our position in such an eloquent and persuasive way that I am sure hon. members opposite will be happy to adopt his amendment. Your Honour will recall that at the end of the debate on second reading when Your Honour asked whether it was the pleasure of the House to adopt the motion, it was adopted subject to a few members, including myself, shouting "On division". We shouted as hard as we could because we did not like the principle that the government was imposing with regard to the bill. It is a complete departure from the principle of universality which was established in 1952. We now have the selectivity principle.

• (8:10 p.m.)

In addition, the escalation clause attached to pensions of $80 is to be removed. The more I listen to my hon. friend from Winnipeg North Centre expound the principle which the government is asking us to accept, the more certain I am I should join him in voting against it. I am asking that five members on this side of the House, or even on the other side, stand up on third reading and force a vote, because acceptance of this principle of departing from universality in favour of selectivity is likely to cause a good deal of damage and all Canadians should know what is being done.

The principle of selectivity was established away back in 1927 when the pension program was first introduced. A means test was thereafter applied. Between 1927 and 1952 members on all sides of the House pleaded with the government to adopt the principle of universality, and in 1952 it was adopted. When we enacted the Canada Pension Plan, Parliament added an escalator clause to provide for automatic increases in line with increases in the cost of living. This has now become a standard provision in many Canadian pension plans. When I think of the pension plans available to retired civil servants, RCMP officers, Members of Parliament and others, I have the joy of knowing there is an escalation clause in them to take care of increases in the cost of living.

In 1966, when the President of the Privy Council was responsible for this legislation we experienced the first departure from the principle of universality. Now we find this proposal for a further departure. When I consider the increase in the pension being offered, I am ashamed that as a Member of Parliament I have to take part in debate and try to persuade members on the other side that the increase is niggardly, mere flim-flam. The minister talks about the cost of the present escalation clause which I am trying to persuade hon. members opposite to retain. He says it will cost $15 million. We should all know that in the old age security fund at present there is more than $1 billion which has accumulated over the years. Surely, the retention of the escalation clause would cost nothing in comparison with that amount.

My hon. friend from Winnipeg North Centre has recommended, first of all, a demogrant of $150 a month on a universal basis and inclusive of an escalation clause. The Minister of National Health and Welfare (Mr. Munro) says this would cost another billion dollars. We could find the billion dollars in the foreign exchange reserve amounting to $4 billion which is just sitting there. It would be an experiment accepted by all Canadians. In the old age security fund itself there is more than $1 billion, enough to take care of a demogrant of $150 a month.

The second proposal advanced by my hon. friend from Winnipeg North Centre is that we should make a universal grant of $100 and a $50 guaranteed income supplement to eligible Canadians in need. This would cost much less than the first recommendation. I am sure the newly-appointed whip, who probably appreciates the presence of a large number of pensioners in his riding, will agree wholeheartedly that this proposal ought to be tried and tested. After all, we have the necessary money.

It is worth repeating that a person living on old age security who receives not only the pension but the guaranteed income supplement, a total income of $1,620, is

still left at least 25 per cent below the poverty level. In 1968 the committee on poverty said the amount necessary for a single person to live in Canada at the poverty level as $1,800. In 1970 they said it should be $1,922. We are giving these people the princely sum of $1,620. When we deduct the income tax payable on this amount, which is approximately $75, we find that a person in these circumstances is living at 25 per cent below the poverty level. I am sure that all members opposite who have a heart and a conscience will agree to bring about the necessary changes.

If we were to accept the $150 demogrant, the annual income would amount to $1,800 and it would be necessary to add an escalation clause to bring the recipient up to the poverty level. A married couple would receive $3,020 total income for the year. In 1969 the committee on poverty said it took $3,000 for a couple to live at the poverty level and in 1970 the figure is $3,200; so hon. members can see they would be $200 below the poverty level—and they are still subject to income tax.

My hon. friend from Winnipeg North Centre looked across at the Minister of National Health and Welfare this afternoon, recalling his arrival in the House, his progressive ideas and his compassion for people. Then my hon. friend pleaded with him to make the necessary changes in this legislation. I hope that the minister, who comes from a city where there is a measure of poverty and a large number of pensioners, will not be strangled by cabinet decisions to hold the line with regard to this bill. The least he can do is accept the proposal that the escalation clause be retained as it applies to old age security pensions.

As my hon. friend said so well in his speech to the committee, the government's proposal seriously affects single people who have an income of $2,280 and married couples with an income of $3,200. These are the people who are being hurt by not getting the guaranteed income supplement. Surely, a man of his stature and background, a man of his compassion and good instincts, will agree to make the necessary changes in the bill.

• (8:20 p.m.)

I agree with some of the reasons the hon. member for Winnipeg South Centre (Mr. Osler) put forward for the action taken by the minister. He said that the minister was probably told by the cabinet that he had to jiggle and juggle the sum of money he had been given, and this legislation resulted. Do you realize, Mr. Speaker, that if we pass this bill it is but the first step toward a guaranteed annual income for all Canadians? And it is a bad first step, because I am sure all of us are able to anticipate that the second bad step will be taken in the direction of family allowances.

Surely, we in this House should have the wisdom and the courage to stay clear of the selectivity principle and to adhere to the principle of universality. I suggest that the legislation before the House will create divisiveness. I want the opportunity on third reading to vote against the bill. I want five members of this House to rise when the motion is called and to force a vote so that hon. members are made to realize what they are voting for, namely, a redistribution of old age poverty. I think once hon. members realize this is what we are doing and that the implementation of this measure will not cost the government one penny, they will agree it is a bad bill.

The hon. member for Winnipeg North Centre commenced his speech on second reading by saying that this was a bad bill. The hon. member said he had received letters from old age pensioners expressing disappointment and disillusionment, and I could not agree more with those pensioners. That is why I want members on both sides of the House to stand up and vote against this bill. We will have plenty of opportunity in the next few months to revamp the bill, put it in its proper perspective and take care of the senior citizens of Canada.

I notice the hon. member for Ottawa West (Mr. Francis) is nodding his head. He participated in the second reading debate. He supported the government and spoke against our plea for a guaranteed annual income, asking where we were going to get the money. Let me tell the hon. member that there are $4 billion in the foreign exchange reserve. Surely that is a sufficient amount of money to implement the plan we have suggested.

When the hon. member for Winnipeg North Centre outlined this afternoon the breach of faith on the part of government, the breaking of a social contract that was entered into between the government and the people of Canada in regard to the escalation clause, the hon. member for Ottawa West contributed a gratuitous remark by asking, "Well, why can't we break a contract?" I ask whether he realizes what this means to all Canadians. Does the hon. member agree that we should break our agreement regarding a 2 per cent escalation for the Canada Pension Plan, or in regard to retired civil servants, the RCMP or military personnel? Surely the word of the government should be its bond. It was its bond in 1965 when the government introduced the escalation provision. It is now casting it aside. I do not think the members of the Liberal party would want it to be said that they should so callously discard the escalation clause in respect of this bill.

As I have said, the philosophy of a guaranteed income for our senior citizens is one of co-operation and consideration. When we think of the contribution that they have made over the years, not only to the productive life of this country but to the life of the family as well as to moral and spiritual life, surely the least we can do is ensure that they spend their twilight years in respect and in dignity. This bill will not produce that result. I think all hon. members of the House should realize this is the case and should vote against the bill.

The 42 cents increase in the basic pension is a disgrace, a cruel hoax perpetrated on many senior citizens at Christmas time. I hope that the President of the Privy Council, a man who comes from the Maritimes and who has seen poverty, as has his family, yet has overcome it, the man who introduced the guaranteed income supplement, will rise in his place and declare that he is opposed to the principle of selectivity and is in favour of universality. I perceive the Minister without Portfolio (Mr.

Andras) in the House. I think he would agree that not only must we have pensions but we must have homes in which our retired people can live in respect and dignity. I hope the members of this House will accept the amendment.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, as we approach the Christmas season we will be reminded on television and from our reading of what is regarded as the greatest Christmas play of all time, "The Christmas Carol". As I listened to the debate today it seemed to me that the Scrooge of "The Christmas Carol" is found in this House in Bill C-202, and in a way that we in this enlightened age ought to think twice about. Surely, the Christmas present that we are putting together for the old age pensioners of Canada can be described as nothing more than the device of a Scrooge who is as hard-hearted as the government.

Mr. Francis: Fifty-five dollars a month supplement.

Mr. Thompson: The hon. member for Ottawa West (Mr. Francis) talks about the guaranteed income supplement. I shall have something to say about that. I would have thought his experience of bureaucracy in government would have told him that to devise a means test which for a single person might be applied in 55 different ways will do nothing but perpetuate bureaucracy and work hardship on those who really need our consideration and help. I say that kindly to the hon. member, because if this bill is implemented on the selectivity principle outlined therein, we shall be reverting to the means test system, one that will be more vicious than any we have had hitherto in our welfare legislation. It will be a retrograde form of means test that will be much more severe than the income tax reports used by some provinces to determine the premium that people in the low-income bracket should pay for health services insurance.

Much has been said in recent years about bilingualism and biculturalism in Canada. During the last election campaign the "deux nations" theory came in for a lot of discussion and heated debate. I believe that the real division in Canada has nothing to do with language, culture or politics in its most bitter form, but is the critical dividing line that cuts across all of these and separates Canada into two distinct groups. The first is the affluent Canada, the productive Canada where the majority enjoy a generally adequate standard of living, where cultural and educational facilities are readily accessible. This Canada is exemplified by the skyscrapers, high-rise apartment complexes, new subdivisions, luxurious schools and universities, a rising standard of living and new opportunities. In effect, it is the Canada where people are in the mainstream of our economic way of life. The population of this Canada is about 17 million.

• (8:30 p.m.)

On the other hand, there is a second Canada with which very few of us are familiar. It is the Canada where more than 4.5 million Canadians are trapped in poverty. Their level of income is below the $3,000 a year poverty line suggested by the Economic Council of Canada. These people are not to be found in one province; they are found in every province, in every major city as well as in the rural parts of Canada. This is the have-not Canada. With this legislation we are dealing with one of the larger groups in this have-not Canada, the old age pensioners, people who are past 65 years of age. There are, as well, the working poor and the unemployed. Probably there is no group in the have-not Canada to whom we as legislators in Parliament have a greater responsibility than those in the senior citizen group. On the eve of Christmas, as we are dealing with the welfare of these people and the amount of money that is available for them to live on, certainly it is only fitting that we should be doing so with a little more compassion than this bill indicates.

Perhaps the most comprehensive study of poverty undertaken in Canada is now being conducted by the Senate Committee on Poverty. The chairman of that committee, Senator Croll, in his report to the committee on its findings on November 11 and 12 made a number of significant statements. Time does not permit one to quote all of the important parts of his report, but there are one or two passages which should be brought to the attention of the House. He said:

> The low-income worker, the aged, the handicapped, the social welfare recipient, the single head of family, is becoming more and more alienated from society which each is desperately trying to rejoin. The poverty of our people, the unemployment, the 600,000 long-term welfare recipients in the province of Quebec clearly indicate, as they put it in the brief... that we are becoming a nation of beggars.

Those words were not spoken by anyone representing this party in the Senate. They were spoken by a distinguished Senator who belongs to the government party. He went on to say:

> I think what is required is a net to catch all those who, for any number of legitimate reasons, are unable to provide themselves with an adequate income. These people are our poor. Their numbers are a disgrace. They are the elderly, who helped to build this society, the handicapped who are unable to compete, through no fault of their own, and the working poor, who strive and aspire, like all of us, to a decent way of life, but regardless of how hard they try they are unable to catch up. They are forever losers under our present system. Up to now we have always said that the fault is with the individual. I think it is time that we looked around at the system and let it share some of the responsibility. For those who fall into this net we must provide, as a matter of right, a decent living and access to quality services which are easily obtainable.

The amendment to the legislation, which we will be voting on later this evening, seeks to deal with one segment of our society about whom Senator Croll was talking, our senior citizens. I think it is a downright disgrace and a travesty of justice that we should be making available, as the bill does, this pittance compared with what the Senate committee had in mind.

Senator Croll continued in the following words. I realize this is a general statement but it does relate to our legislation in a most acute way:

> Those appearing before us were unanimous in the view that the public welfare system has broken down, mired in bureaucracy

and suffering from lack of leadership. It has failed in its ability to achieve humanitarian ends, and the public capacity to finance it in its present form is in question. The welfare system has failed for another reason; that is because it was considered a supplement to the economic system to provide for marginal people. It was never designed to supply basic needs for a large number of Canadians. I have been quoted as saying that the welfare system is a mess. That was some months ago, and now on reconsideration I think it is an impossible mess! It is too late for reform—it is beyond reform. It is too late to apply poultices or bandages or even to attempt to modify it. It is useless to try to make changes in the system because of citizen hostility and recipient anger. Its situation is now such that efforts to change it, even if such efforts should result in its betterment, are no longer possible and just would not be believed. It has infected generations of Canadians and plagues our society.

Bill C-202 does nothing more than perpetuate a system which is recognized to be wrong. And what is even worse, it takes a retrograde, backward step in eliminating the universality approach as far as our senior citizens are concerned and substitutes the selectivity approach which will further degrade people at the senior citizen level who should have our respect and to whom we certainly have responsibility. It has long been my political philosophy, as a student of political policy and science, that we have a special responsibility to our senior citizens and that each of us shares that responsibility individually and collectively because when we were young, they looked after us.

In the same way we have a very special responsibility to the youth of our nation, because when we reach the senior citizen stage they will be taking care of us. We are failing in our responsibility because the provisions of this bill are such that we are moving backward instead of forward. We are refusing to recognize what is the fact and reality before us. It is a tragedy that we do not take a more positive viewpoint. The National Council of Welfare feels strongly that the provisions of income support by way of needs-tested public assistance programs is inherently degrading, stigmatizing and destructive of self-respect, having a debilitating effect upon the recipient and upon the children of the recipient families, in this case upon our senior citizens. Can we not understand the logic and the truth of a statement such as this? Senator Croll went on to say:

I think we ought to be able to scrap the system completely. We could actually repeal every one of our social measures, with the exception of the Canada Assistance Act, the Canada Pension Plan and the unemployment insurance plan, and meet every requirement under the basic definition of "need" in the Canada Assistance Act, modifying it to some slight extent so it would all fit under an umbrella rather than as now under a tent with 200 or so measures.

• (8:40 p.m.)

Another paradox about this legislation is that we are dealing with it at a time when we have in our hands and have been studying with great interest the recent white paper on income security for Canadians. This legislation does implement some of the recommendations in the white paper so far as our senior citizens are concerned, but it completely rejects the basic concept of the white paper. It jumps the gun, so to speak, and brings in a type of legislation that negates or rejects the basic principle involved in the white paper on income security.

[Mr. Thompson.]

To return specifically to the amendments about which we are concerned tonight, we find that a single person is pegged, on the guaranteed income principle, over and above the old age assistance which is $80 a month, to an additional $55 a month which is available to those in need as supplementary income. Suppose such a person has no other income and is eligible as a single person for the $55 in addition to the $80: he would receive $135. Last week I met with a group of senior citizens in my home city. I asked them if it was possible for anyone to live on an income of $135 a month. Various persons at this meeting gave me statistics on their cost of living. With the inflationary costs we have today, it is impossible for a single person to maintain a respectable standard of living, especially if he must supply his own living accommodation.

As has already been said tonight, it is not necessary to take the word of the senior citizens. What does the Economic Council of Canada say? It states that a person needs at least $1,900 a year to barely exist. This was in 1969. The Economic Council went on to say that $3,000 a year was the poverty line. Here we are offering $1,620 to these people, knowing very well that it does not even come up to the existence level. On top of that, to add insult to injury we make that level of income subject to income tax. In other words, the senior citizen will not even receive $1,620; we will take some of it back.

We go still further and deny what has been a niggardly increase in respect of the cost of living. We deny these people the 2 per cent cost of living increase both in respect of the supplement and the basic pension. We know that the 2 per cent figure represents less than half the actual increase in the cost of living, but for some reason we are so poverty-stricken in our own attitude toward the needs of our senior citizens that we take away the 2 per cent and besides that make their income subject to income tax.

For these reasons this bill does not make sense. Not only is it bad legislation but it is completely unjustified and unwarranted in so far as our responsibility is concerned. By taking away this 2 per cent in respect of the cost of living we are placing an additional burden on old age pensioners, because when the cost of living escalates, as it will, through inflation—which the government has said, and which it is generally recognized increases year by year—the $80 will have less purchasing power each year because it is pegged in this legislation. It would seem that whoever thought this legislation through must have been completely ignorant of the facts. The government in nationalizing leaving the universality aspect and replacing it with the process of selectivity really has neither accepted nor rejected either principle. It seems to me the government should opt for one or the other and not short-circuit on both, because that will be the effect of the legislation.

An appeal procedure should be introduced as well. The ceiling on earned income should be raised to $3 or $4 for each dollar deduction of allocation. Surely the normal $1,100 tax deduction is completely unjustified in dealing with senior citizens who are receiving old age assistance

or who are entitled to the supplementary payment. The selectivity principle will mean an increase in administrative processing. Has the government estimated the cost of administering this program? I wager that government administration and bureaucray which will be necessary under this program, if it follows the present pattern, will involve a cost greater than giving the 2 per cent escalation to senior citizens and including the universality principle at least in respect of the basic pension which is set at $80. This selectivity principle means that money is to be taken from some pensioners and given to others. Is this the type of war on poverty the government says it is carrying on? I urge someone over there to consider this question before the final vote is taken.

We might go back to "The Christmas Carol", when Tiny Tim reached the heart of Scrooge. We may not have a Tiny Tim here, but we hope that somehow the spirit that moved Scrooge will move the hearts of whoever devised this legislation, because it is not the type of legislation with which we should be concerned at this time. There are one or two points I should like to make in closing.

Mr. Deputy Speaker: Order. The hon. member has said he is closing his remarks. I must advise the hon. member that his time has expired. He may continue only with unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Thompson: I thank the House. First, the cost of living increase should be attached to the actual cost of living, instead of being fixed at 2 per cent. However, at least that which has been the practice should continue both in respect of the supplement and the basic pension. Second, the deduction allowed in respect of income tax ought to be increased. At the very least it should be increased to the amount the Economic Council has said is the basic income one requires for existence. I believe the amount is $1,920 a year. It would be much better if it were increased, for the old age pensioner, to the poverty line of $3,000. No one could have very much objection to that.

It is wrong to penalize people over age 65 who would like to supplement their income a little, by taking it away in taxes. I will give an example from my home city. A man who is over 70 years of age, who a year ago did not pay any income tax because his income was not up to that level, overlooked the fact that his wife had reached pensionable age. He could not afford to have an accountant make out his income tax form. He did this himself, but forgot that his wife had received pension and so did not properly calculate the amount that he and his wife received as income. Therefore, he did not calculate any tax payment as he had not paid tax in previous years. He was later assessed for this in the amount of $157.17. When the first assessments notice arrived, he was amazed that he was being taxed. As he was not accustomed to paying tax, he neglected to do anything about it. He received another notice stating that if a payment was not made immediately, legal action would be taken to collect the amount owing.

• (8:50 p.m.)

This poor old man panicked. He did not read all the fine print on the form. He thought he might go to jail. He borrowed the money and paid the tax, because he knew that if his pension was reduced this year because of the unpaid tax he just would not be able to live on what he received. The tragedy of it all is that he does not have the money to pay back what he borrowed. I am sure this situation is duplicated tens of thousands of times across Canada. To tax our senior citizens at the present levels is a disgrace. Surely, the income tax deduction for people receiving old age assistance should be raised, so that if they have a little money of their own they may raise their standard of living at least to what the Economic Council has said is the poverty line.

At this last minute of the debate on this legislation I hope the spirit of Christmas may prevail in the hardened heart of the Scrooge responsible for the drafting of this legislation, so that the amendments put forward will be accepted and we may go home with the satisfaction of knowing that we have made this Christmas a little better for the most needy and worthy people in our country.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am honoured at being given this opportunity of speaking on Bill C-202 which provides for an increase in old age pensions. It would be rather more appropriate to use the word "decrease" for this bill, like the hon. member for Winnipeg North Centre (Mr. Knowles) has said, is a bad bill. Indeed, it does not take into account any of the present economic conditions which border on general chaos and for which nothing but ad hoc solutions are resorted to, the ineffectiveness of which is obvious. With this kind of action, the disease gets worse since, in any case, people are sinking deeper and deeper into misery.

How is it that we have reached a point where a host of aged people, and even young people, who are not even able any more to find what they need in our fair Canada? They are not even able any more to find a decent place to live in, not able to have their three meals a day guaranteed in a country swarming with resources.

So, there is certainly something the matter, and since our aged people are reduced to begging, as we can see now, our economic system must be reformed from its very bases. No one in this House, however, dares apply the remedies needed to rebalance our economy so as to enable every individual to benefit from progress and science.

Canadians are deprived of necessities. Many live in alarming conditions, and this is why we are trying to increase old age security pensions. The government is trying to find money where there is none, to take money from those who already have not enough in order to give it to others, in an effort to rebalance our economy a little. This unbalance is ever increasing and so is discontent throughout our fair Canada.

Here we are again discussing problems pertaining to elderly citizens, within an over-all national economy

which is disrupted, confused, in short, unbalanced through and through. Let us keep on, if we enjoy it, wasting our time on trifles when the whole structure is falling apart.

A while ago, I listened with great interest to the speech delivered by the member for Red Deer (Mr. Thompson). He made a sensible speech and put his finger on the cause of our current economic problems. Furthermore, he proposed certain solutions to get our economy moving again.

Other members also described the difficult economic circumstances which affect us one and all. Every day I receive letters which indicate that there is general discomfort and dissatisfaction. I will confine myself to deal with the indispensable economic reforms.

• (9:00 p.m.)

Our national economy is off balance because of the lamentable purchasing power of senior citizens. The Canadian government which exercises the supreme command and has a right of supervision and direction on the economic, monetary and political activities of citizens cannot correct the situation.

I must recall something fundamental that can help correct any economy which has been disrupted as a result of the attitude of the government and of the country's most important institutions.

The principle implied in the speeches of all government members, but which in no way corresponds to their economic concerns is their pretended unawareness of the daily realities of the Canadian economy which is necessarily personal and family-oriented, as well as social and corporate. It is needless to speak of administration, of economic policy whether national provincial, municipal or international, unless this principle is recognized from the start. Not only from the philosophical point of view, but from the practical point of view as well.

Mr. Speaker, having forgotten this first principle of any public administration, we now have an unbalanced economy. Nobody can live without money in any civilized country, be it capitalist, socialist or communist. To consume and produce goods and services, one must have money. Everywhere money is needed in any phase of the economic life, whether a child is being born, an adolescent growing up, an adult feeling he is in perfect fit, or an older citizen living his last days.

Any social life is entirely monetary, economic and political.

Because it is monetary, we need a purchasing power based on the basic needs of each human being.

Because it is economic, it is necessary that production should meet the daily consumption needs of each human being before being used for capitalizing for the future.

Because it is political, we have to control, through wise policies, all currency circulation according to the economic capabilities of the actual or possible production and according to the needs of all the human beings who compose the population of Canada, whether they are children, students or adult producers on unemployed. Whether they are pensioners, old citizens, sick or disabled persons, they have a right to live.

There is talk about giving something to old people once they have been unclothed, once they have been thrown out on the street. Action is needed to enable them to live. In order to keep them alive governments must intervene and to do it, they must rob well-off people and give their money to the others. Harm, even great harm, is done to some, to many, in order to ensure some happiness, some right to live to others in this country.

Instead of increasing the cost of living, of allowing interest rates to rise, or of enriching only the rich, society must be served. We should use our resources to serve our people. By this I mean that, instead of redistributing our riches, we are trying to redistribute what is in scarce supply.

According to statistics, our capitalization this year amounts to $34 billion. Surely, we could take one billion out of this to give a monthly pension of $150 to our older people without submitting them to any means test.

All Canada's senior citizens should receive $150 per month and I wish to say, Mr. Speaker, that this is possible. It is easy to make such a distribution in our beautiful country. If we do not know where to get the money from, instead of robbing some to give to others—as I have said before in this House—we could use capitalization surpluses as well as excess profits. We could also grant a compensated discount and establish new credits to distribute production surpluses so as to procure a decent living to our senior citizens. Older people are not clothed or housed with bits of paper. What they need is a decent house to live in, a sufficient quantity of healthy food to meet their requirements.

This is what we have to accomplish through concrete, positive and social means.

It is through social consciousness and determination to achieve our objective that we will be able to satisfy these requirements.

Canada's production is plentiful, and here is the proof. Presently, 37 per cent of all Canadians are unemployed. Several citizens who do not enjoy the benefits of unemployment insurance, receive social welfare allowances. Thousands of people live at the expense of others who have not yet a sufficient income. Instead of distributing the tremendous wealth made of $34 billion in capital, to satisfy the needs of Canadians, people live in scarcity, and we find nothing more to say than: There is no money. To raise funds, we will have to take money from other people.

I wonder when the government members will take note of the facts which would enable us to distribute to all needy individuals the wealth which is plentiful in this country.

Once again, Mr. Speaker, I would like to point out that the entire economy, on account of our faulty financial system, no longer meets human needs. The pursuit of money has become the essential purpose of all.

Much could be said on this question and on the other consequences of a financial system that proves dictatorial when it should be a servant. The system has become a mechanical device and a robbing scheme when it should liberate men and distribute the benefits of progress. It engenders and promotes laxity among men instead of brotherhood and generosity that could shine in this world where physical hindrances have almost disappeared.

In such deprivation can always be found impoverished families, dispossessed small businessmen, important industries buried or swallowed by the monsters to which austerity gave the occasion to extend their tentacles and increase their power. Such monsters will enjoy the government's favour as large job providers. While they welcome workers from all quarters, cities and rural areas, on the other hand, they make them into robots, at the service of Mammon.

Mr. Speaker, I could give many more details on the basic question of old age pensions, and even if all the hon. members who spoke on this measure have explained the pension terms, the methods of payment and the amount to be paid, I still submit that we should get rid of the deceiving and anti-democratic system of the guaranteed income subject to a means test.

Gailbraith, an economist, had this to say on the matter:

> Today, we ensure an income to the have-nots, but through various means that are costly in their application and an outrage to human dignity.

Indeed, we insult our older citizens through inquiries to find out whether or not they are entitled to this or that.

Whenever someone has put something aside, there are some people who say: he is better off than I am, he is not entitled to that for I have nothing.

This is discrimination, Mr. Speaker, and in 1966, the Chamber of Commerce of the United States organized a forum on the best methods of providing a decent standard of living for everyone. Robert Théobald, James Tobin, Milton Friedman, all of them economic advisers, approved the principle of guaranteed income and negative tax, on which I should like to say a few words.

We should have enough sense, once the inquiries to find out whether older people need assistance are abolished, to determine a decent tax basis, so as to leave our older people with what they need to live decently.

The Ontario Labour Association, in a brief submitted on February 28, 1967, to the Special Committee of the Senate and the House of Commons on Consumer Credit, No. 39, shows that we have taken the wrong road. Inquiries on old age security should be done away with. We should be able to ensure old people of easy circumstances in a country bursting with wealth.

• (9:10 p.m.)

[*English*]

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I welcome the opportunity to say a very few words in support of the amendments proposed by the hon. member for Winnipeg North Centre (Mr. Knowles). I take this opportunity to commend him on his appeal today on behalf of the aged citizens of this country. I also commend my colleague, the hon. member for Simcoe North (Mr. Rynard) who placed before the government a realistic assessment of the weaknesses in the bill before us.

The lack of human consideration by this government for the segment of society that falls in this category, as well as for other disadvantaged Canadians, becomes more and more obvious each day, Mr. Speaker. I refer to the blind, the disabled, the mentally retarded and others whom they help by lip service and to whom they throw a few pennies. In this case it is 42 pennies, to be exact. That is how much they have thrown these people out of the government's protective coffers. And, Mr. Speaker, it is ever more difficult for me to realize how they can continue, in conscience, to camouflage this attitude from most Canadians.

Again, Mr. Speaker, in spite of the overflow in government offices of experts who advise on the passing of what is supposed to be just legislation, there remain many weaknesses. This legislation exemplifies nothing but sheer, automatic consideration of disadvantaged Canadians as numbers, or holes in a punch-card, rather than as humans to whom we as a state owe at least some responsibility—the responsibility for their care; that they may continue to live in a reasonable state of existence in their remaining years.

One important segment of our senior citizens whom they have forgotten, Mr. Speaker, is the aged pensioner who suffers from exceptional incapacity. I am referring to that group of citizens who in their thousands are either left alone or suffer from a degree of disability which is such that they are unable to look after themselves. I can tell the hon. member for Winnipeg North Centre and others in this House that I, too, have been getting many letters indicating disappointment, frustration, disillusionment, bewilderment and lack of faith in those who govern.

Let me quote an example of what I mean by those who are suffering from exceptional incapacities, Mr. Speaker. Just a couple of months ago I visited a lady 70 years of age who was blind, who had just had her second leg removed and who was suffering from diabetes and high blood pressure. Her husband, who was a war veteran, left her with a small widow's pension under the War Veterans Allowance Act. Because she was alone, she left her deteriorated home and, luckily, was able to move in next door with her son, who was also blind. He had eight children and was existing on social assistance. His wife has to try to take care of his mother. This lady's income, with old age security, totalled $111.41, plus her $40. The son borrowed $600 to repair the home. He rented it out, which meant that the rental income was eventually charged against the mother's income, which was reduced by a like amount. Luckily, I visited this lady and brought the case to the attention of the authorities. She is now getting a few more dollars because she happens to be blind.

The regulations do not make allowances for those suffering from exceptional incapacity such as in the case I

have just quoted, Mr. Speaker. I submit that this, again, indicates a lack of human consideration. Another case I would like to mention is that of a citizen on old age assistance who made the mistake of trying to supplement his income. He earned some $240 by selling newspapers over a year and found that he had to repay part of this amount. While I realize, Mr. Speaker, that regulations as to limits have to be laid down, there should be some responsibility on the state to become cognizant of exceptional cases of extreme hardship. Money does not do everything. I submit that the government should consider very seriously staffing the various district offices with responsible people who are capable of looking into these cases, and the regulations should be broadened to allow for human consideration and discretion where the need is evident.

Mr. McGrath: Hear, hear!

Mr. Marshall: It is difficult for me to understand, also, why couples are discriminated against. With the increase, the amount available for single old age pensioners will rise to $135 per month, whereas a couple will lose $15 a month if a man is living with his wife.

Mr. Knowles (Winnipeg North Centre): Shame.

Mr. Marshall: There is not much point in repeating many of the other failings in the bill, Mr. Speaker, because many of my colleagues have already pointed these out. I hope the minister will take note of the very important human consideration that should apply to those receiving old age pension who suffer from exceptional incapacity. I hope that something will be done to look after this serious problem. I can only say that I am disappointed that other disadvantaged citizens, particularly the blind and the disabled, will have to wait for discussions to take place between the minister and the provinces. This could have been an ongoing process over the past two years and the results could have been announced at this time. I hope, therefore, that the minister will do his utmost to speed up these discussions so that those who suffer from blindness or any other disability—this applies especially to those who are mentally incapacitated—will receive increases in benefits which are so urgently needed.

Another weakness, Mr. Speaker, is in the federal-provincial relationship concerning old age security and the Canada Assistance Plan. May I quote as an example a couple in the province of Newfoundland who are allowed, under social assistance, the grand amount of $130. The husband receiving old age assistance gets $111.41 and, under the maximum allowable, the province pays the wife $18.59. This means, Mr. Speaker, that with the increase in old age security, the husband will now receive $135 but that the $18.59 will now be denied to the wife, giving them in total an increase of only $5. This will go a long way in the fight to help our aged, Mr. Speaker! I am sure the government will agree that this will help that aged couple a great deal.

I also go along with some of my colleagues who stated today that the Minister of National Health and Welfare (Mr. Munro) is not altogether to blame for the callousness of the cabinet. I remember well reading a few months ago in the local newspaper about the disagreement in the cabinet which turned down by 50 per cent the increases that the minister recommended. The article related that six members of the cabinet fought vigorously against the recommended increases: I am sure that the many aged and disadvantaged citizens of this country would like to know who the six ministers were. I do not think one has to be very smart to guess who they were. Fortunately, this is a time of good will and I would not want to spoil the festive season by venturing to guess who the nasty six were who turned down the increase that had been recommended by the minister.

There are many thousands of disappointed Canadians in Canada, Mr. Speaker. Many of them had faith and hope that their need would be relieved. They had this faith because of the loud and clear proclamations of our debt to that segment of society which needs our help. The proclamations came from many sources, from throne speeches, from white papers, from poverty committees, and very soon it is to come from the $7.5 million bookstore called Information Canada.

• (9:20 p.m.)

I hope the minister will try and impress upon his colleagues the shortcomings that exist in the bill, in order to provide some relief for our aged citizens. I hope the government will have a change of heart with regard to the 2 per cent escalation clause.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have only a few comments to make at the time of the study of this very important bill which particularly concerns one class of our society, the old people who hope to live a few more years with a little security.

The amendment proposed by our colleague from Winnipeg-North-Centre (Mr. Knowles) to change clause 1 by deleting lines 4 to 11 means that we do not approve restricting the pension to the amount established in Bill C-202.

I entirely agree with this motion because in 1970, the very people who propose the limit at the amount stipulated in clause 1 would not want to live with such a low pension.

Mr. Speaker, I am convinced that Canada would gain if it gave a pension higher than the amount established in the bill in order to increase the purchasing power of each group of people who are suffering from a lack of purchasing power to meet their essential needs.

As it must be the case for other hon. members, I receive each week from people 65 and over complaints to the effect that their income is too low to live decently at home.

Mr. Speaker, the old age security should be paid at 60. The proof is a Christmas card which I have received

today from a married couple in my riding. They tell me that they hope that in 1971 people will qualify for the old age pension at 60 since at 48 or 50 they can no longer work. They are too old to get a job.

Mr. Speaker, it is unfortunately true! It quite often happens that people lose jobs that they have held for 20 or 30 years, get fired because of mechanization. They are not responsible for mechanization but since machines are more and more replacing men, automatically those people who had jobs find themselves without an income and are unable to support themselves. When they go looking for another job they are simply asked the question: "How old are you?" "I am 50, I am 52, I am 55." They then get the following reply: "You are too old to work here." Then they are too old to work for industry and too young to get the old age security pension and they find themselves in a very difficult situation.

A few years back, when we were advocating that the pensionable age be brought down from 70 to 65 years, we were considered people with too advanced ideas. It was not normal that the eligibility age for the pension be brought down, because it did not reflect the thinking of those who were responsible for the administration.

Now, in some provinces which I will not name, provincial governments moved to ensure a little more security to senior citizens, and they started to give them a form of pension which could supplement that given by the central government, and at a less advanced age, namely at 65.

After a few years, the central government came to the conclusion that it was normal to bring the eligibility age for the pension down to 65, and that has been accepted by the whole population and by all hon. members.

In my opinion, it would be desirable in 1970 to bring down to 60 the eligibility age for the old age pension, so that young people who come each year on the labour market could let society take advantage of their knowledge. Indeed, they are in a better position than older people to render services to society and society would benefit from it if those young people took the place of older people and if persons 60 and over were allowed to leave their jobs and at the same time be assured of their security for the remaining years of their life.

• (9:30 p.m.)

Now, Mr. Speaker, there is one thing that mankind, and especially members, should remember: man does not change. It is easier for an elderly person to remain idle, without being subject to all kinds of whims and wishes, than for a younger person.

A youngblood is dynamic and if time is not spent on doing good things, energy will be consumed on not-so-good things.

As for senior citizens, they have matured and learned to be more deliberate. They can quietly and without fearing for their fate remain inactive and our society will not be the worse off.

Old Age Security Act

There remains one point to which I should like to draw the attention of the House. Even at 60 years of age, all the inhabitants of our towns or cities who are not completely worn out by work could keep busy beautifying properties.

In my riding, I have known people to whom I suggested that they leave their farm to their sons before the latter took off to go and live in town. I suggested that they buy a property and take care of it to brighten up the village and make it attractive for those who visited it or lived there.

I could give many instances of people who have taken our advice and who are now happy to live in an environment where they are not inactive but give to others the will to be of service in their milieu, to keep their home in order, with a small garden and flowers; they are an example for our youth; they show that everybody can lead a meaningful life, whatever his age.

It would be wise to alter this old age security legislation in some way so as to give our senior citizens an income which would not be partially taken away by taxes which actually prevent them from satisfying their needs.

I agree with the hon. member for Red Deer (Mr. Thompson) to whom I listened attentively a few moments ago and who said that Canadians should not have to pay tax on an income of less than $3,000. In fact, if one considers the cost of maintaining a home and leading a decent life in 1970 this amount of $3,000 is far from excessive.

Secondly, people who must live in homes for the aged should be able to live without having to depend on welfare. Every week I visit old people. I have the opportunity to go and say hello, to talk to them since I think it is my duty to do so. The sole comfort that many have is to be visited by a member of Parliament who is really going to look into their problems so as to get better acquainted with their situation and make the necessary representations.

Tomorrow when people see in their newspapers the representations made by some hon. members, including myself, some will say: The M.P.'s worried only about the old age security while young people have also needs. They will wonder how it is that they are being ignored.

In October 1970, during the debate on the Address in reply to the Speech from the Throne, we showed concern for young families when we proposed an amendment asking for an increase in family allowances in order to provide them with some additional income with which to fulfil their obligations.

Furthermore, in Canada, and particularly in Quebec, there are isolated people who may suffer because we neglect to speak on their behalf. I am referring to widows aged 60 or 65 who have family responsibilities and who need some income to carry out their obligations.

Those people write us from time to time, asking us to bear their plight in mind so that Canada may grant them

a minimum income in keeping with the possibilities the country can afford.

As Bill C-202 applies to the situation of old people, I do not want to forget the others.

I deeply regret that Bill C-202 does not extend eligibility for old age security pensions to those who have reached the age of 60 and also grant them a tax exemption on incomes below a ceiling of $3,000. This does not mean that we are opposed to the principle of the bill or to the application of better legislation, but we want Canada to better realize the fact that people who were born before us deserve more, because we can inherit from them advantages from which they should benefit in 1970.

[*English*]

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I have had an opportunity to listen to various members of the opposition parties talk on this motion by the hon. member for Winnipeg North Centre (Mr. Knowles). The essence of it is that we should not remove the escalation feature from the $80 universal pension. In the course of the discussion about this particular issue the government has been characterized as Scrooges who are letting down a lot of the old age pensioners.

Some hon. Members: Correct.

Mr. Munro: I cannot help wondering whether any of those critics have analysed what we are doing of a positive nature for senior citizens. I ask the House to look at page 40 of the white paper to which many hon. members have referred. One passage which appears there is of some significance.

> There will be 1.7 million people over 65 in Canada in 1971. Of these almost 1.1 million, or 64 per cent, would have incomes of less than $1,500 (or $3,000 for a couple) were it not for the income security programs already in operation.
>
> Even with the existing income security measures, it is anticipated that 711,000 people, or 42 per cent of aged persons, will still have incomes below these levels in 1971. The proposals in this paper would raise the incomes of all aged persons above these levels; no single aged person would have less than $1,620, and no aged couple would have less than $3,060.

This is why the rates proposed, commencing April 1 next, are, for single persons receiving guaranteed income supplements, $135, and for couples, $255. The hon. member for Red Deer (Mr. Thompson) talked about the poverty line, and I think I know his source. The type of pension we are now offering under the guaranteed income supplement would raise the income of the couple he was talking about to above the poverty line. I do not think he was aware of that, at least not from the way he was talking in his speech.

• (9:40 p.m.)

When the senior citizens of this country who are in desperate need of assistance receive $55 g.i.s. over and above the $80 o.a.s., for a total of $135, or $95 g.i.s. for a couple with each getting the $80 flate rate o.a.s., bringing the total up to $255 a month, I suggest this is a very significant increase indeed over what they are receiving today. A single person today receives $111.41. Therefore, I think it can be said that we are giving a very significant increase to a very significant majority of our senior citizens.

In essence, this is not very different from what every Canadian who files an income tax return does once a year. On this return Canadians indicate what their income is, and it is on this basis that their tax is calculated. If there ever was a system or a technique that removed the demeaning aspect of the old welfare systems we heard so much about today, certainly this is it. Canada was one of the first countries in the world to bring in a guaranteed income supplement for the aged. In fact, I think we were the only country with an income-tested program of this nature when we introduced it four years ago. It is a program that has worked well. Surely, it had its problems, but I do not think there is one member in this House who has not found that those who receive this needed benefit are happy about it and reasonably happy about the way it is administered. They see a real difference between this type of income-tested benefit and the old means-testing programs of years past.

When honourable members extol the virtues of a guaranteed annual income and condemn this program, they are contradicting themselves. What, in essence, a guaranteed annual income is all about is that it is some kind of income test. It does not matter whether the payment is a universal one and you tax back that payment at the rate of 100 per cent in the higher income brackets, or whether individuals make applications that are income-tested once a year, as is the case here. In essence, it is an income test and I think it is the kind of technique that would be used in any guaranteed annual income proposal.

I should like to deal with a couple of other matters. We have heard suggestions for making pensions universal. The honourable member for Winnipeg North Centre indicated that he was very disappointed at the fact that we seem to be moving away from the concept of universality—and indeed we are moving away from it. There is no question that we must move away from this concept. If, as he suggested, we granted our senior citizens a universal pension of $150 a month it would cost, in addition to what we are already spending on pensions, $1,100 million. As indicated in the white paper honourable members have received, we could almost institute a guaranteed annual income for the whole population at a cost of between $2 billion and $2.6 billion.

If honourable members think that this is within the capacity of the present government or of any government in today's context, they are being totally unrealistic. In adopting the concept of universality, what honourable members are talking about is giving each of our senior citizens an increase of $10 a month. Instead of receiving $135, or $255 in the case of a couple, if we raise their pension from $80 to $90 it will cost over $200 million. This would not do the old age pensioners who really

need an increase any good at all. If the pension were raised to $100 it would still be inadequate and would cost over $400 million.

When hon. members criticize programs in this way, I think at the same time there is an obligation upon them, if they are interested in getting money to those who need it under an administration as least offensive as possible, to put forward concrete suggestions about how the money required to meet the increase is to be raised. In all the debate I have listened to today, I do not think I heard one member of the opposition suggest how the money could be raised or in what manner he or the party he represented would raise it.

Mr. Stanfield: Get the economy moving again.

Mr. Munro: Do they propose to impose an additional tax on those middle-income groups that they indicated they were so concerned about? If not, where would the additional money be raised? All hon. members have indicated their concern for the senior citizens, but I do not think our senior citizens are easily fooled either. They know what these programs cost, and those who really need the money realize that this is probably the most effective and meaningful way of seeing that they get it. Indeed, we all agree they are in desperate need.

Hon. members have indicated they are concerned with poverty in this country. The hon. member for Red Deer mentioned the Croll committee. We have heard that four million Canadians are living below the poverty line, and this figure is probably accurate. Unless we start to make our programs more selective, as suggested by many committees, and try to redistribute the money we have in terms of supplemental income for low-income groups, we will never really be able to tackle the problem of poverty. Approximately 1.1 million senior citizens are living below the poverty line. We have produced a program that will realistically deal with their need and in this respect the government of Canada and hon. members on this side of the House have not anything to be apologetic about.

• (9:50 p.m.)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, before the minister resumes his seat I wonder whether he would entertain a question. Did he forget to speak about the motion that is before the House, which calls for the retention of the cost of living escalation on the basic pension, rather than freezing it at $80 per month?

Mr. Munro: Mr. Speaker, I would be pleased to answer that question. I was thinking in terms of the general program involved here. The part mentioned by the hon. member for Winnipeg North Centre is only one part. He did not restrict his comments and he did not talk about—

Mr. Knowles (Winnipeg North Centre): I beg to differ. I did.

Mr. Munro: I thought the hon. member was tying it into the whole proposal of selectivity. I am saying that when the hon. member talks about selectivity he is talking about removing the escalation feature for those people above the poverty line, and I thought I made that clear.

Mr. McKinley: Mr. Speaker, would the minister permit another question? By taking the initiative away from those Canadian citizens who feel they should save a little money for their old age, jeopardizing them because of their inability to receive the supplement, does he not realize that in the very near future no one will save money? Where will he get the money then?

Mr. Munro: Mr. Speaker, I just indicated that I did try to deal with this adequately before the committee, and I think that if the hon. member attended he would have heard the answer.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): Before the question is put to the House, the Chair feels it should remind hon. members of the suggestion made by Mr. Speaker to the effect that the two motions in the name of the hon. member for Winnipeg North Centre (Mr. Knowles) are closely related, to the point, that the motion which appears as No. 3 on the Order Paper of today is consequential upon the provisions of motion No. 1. Accordingly, it might be understood that the vote on motion No. 1 will, in fact, resolve the question on the second motion which appears as No. 3 on the Order Paper.

Mr. Knowles (Winnipeg North Centre): That is agreed, Mr. Speaker.

The Acting Speaker (Mr. Laniel): The question is on the motion of the hon. member for Winnipeg North Centre as follows:

That Bill C-202, an act to amend the Old Age Security Act, be amended by deleting from clause 1 lines 4 to 11 at page 1.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

And more than five members having risen:

Mr. MacEachen: Mr. Speaker, before ringing the bells I wonder if I might ask whether the House would agree to

Division

continue this evening until we give the bill third reading. I think it would be desirable if we had consent to dispose of third reading, and if we could agree on this matter before ringing the bells, it would be helpful.

An hon. Member: No; ring the bells.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. We can hardly dispose of third reading before we take a vote on the report stage. If the minister would ask after the vote that we continue to deal with third reading, as far as my colleagues and I are concerned we would have no objection.

The Acting Speaker (Mr. Laniel): Does the House agree that the hour of sitting shall be extended in order to complete third reading of this bill?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Laniel): There does not seem to be unanimous consent.

Mr. MacLean: Mr. Speaker, if we could agree that the House will not automatically rise immediately after this vote is taken, perhaps we could continue to sit for a period following the vote and then we could decide what to do.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): Is there unanimous consent that the House will continue this sitting for a short time after the vote is taken until there is agreement in respect of the conclusion of this debate?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): Call in the members.

The House divided on motion No. 1 (Mr. Knowles, Winnipeg North Centre) which was negatived on the following division:

• (10:00 p.m.)

YEAS

Messrs:

Alexander
Alkenbrack
Baldwin
Beaudoin
Bell
Benjamin
Bigg
Broadbent
Burton
Cadieu
Coates
Comeau
Crouse
Dinsdale
Dionne
Douglas (Nanaimo-Cowichan-The Islands)
Fairweather
Flemming
Fortin
Gauthier
Gilbert
Gleave
Godin
Grills
Gundlock
Hales
Harding
Horner
Howard (Skeena)
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
La Salle
Latulippe
Lewis
Lundrigan
MacEwan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
McCleave
McCutcheon
McGrath
McKinley
Marshall
Mather
Mazankowski
Monteith
Muir
Murta
Nesbitt
Nystrom
Orlikow
Paproski
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rondeau
Rose
Rowland
Ryan
Rynard
Saltsman
Scott
Skoberg
Southam
Stanfield
Stewart (Marquette)
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Yewchuk—79.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Béchard
Beer
Benson
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Longueuil)
Crossman
Cyr
Danson
Davis
Deachman
Deakon
De Bané
Douglas (Assiniboia)
Dubé
Dupras
Duquet
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Givens
Goode
Groos
Guay (St. Boniface)
Hellyer
Hogarth
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jerome
Kaplan
Lang (Saskatoon-Humboldt)
Langlois
Laniel
LeBlanc (Rimouski)
Legault
Lessard (LaSalle)
Lind
Loiselle
MacEachen
MacGuigan
Mackasey
McNulty
Mahoney
Marceau
Marchand (Kamloops-Cariboo)
Morison
Munro
Murphy
Noël
O'Connell
Olson
Osler
Otto
Pelletier
Penner
Pepin
Perrault

Messrs:

Pringle	St. Pierre
Reid	Tolmie
Robinson	Trudel
Rochon	Turner (London East)
Roy (Timmins)	Turner (Ottawa-Carleton)
Roy (Laval)	Wahn
Serré	Walker
Sharp	Watson
Smith (Northumberland-Miramichi)	Weatherhead
Smith (Saint-Jean)	Whelan
Stafford	Whiting
Stanbury	Yanakis—105.

Mr. Speaker: I declare the motion lost. Since there has been a vote in the negative on motion No. 1, it will not be necessary to vote on motion No. 3.

Hon. John C. Munro (Minister of National Health and Welfare) moved:

That Bill C-202, an act to amend the Old Age Security Act, as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs, be concurred in.

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

Some hon. Members: On division.

Motion agreed to.

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

Hon. J. W. Monteith (Perth-Wilmot): Mr. Speaker, just before ten o'clock I was somewhat frightened, as I believe the leader of the House was, that the minister was going to talk out his own bill. Then I heard a whisper between him and one of his colleagues.

The minister, in his remarks, drew attention to what the government was doing for one class of old age pension recipients. We are not denying this, Mr. Speaker. We favour increasing the income supplement. What we have been complaining about is that the basic pension would no longer carry provision for an automatic 2 per cent increase in line with increases in the cost of living. The minister said that those who are receiving the guaranteed income supplement will as of right receive the additional amount after reporting their income. This will hold true for a certain category of pensioners as of April 1 next, but it will not be true for pensioners in other categories. Those who are receiving the basic pension will not receive as of right the 2 per cent increment which other pension recipients will be receiving. This is the point the minister did not answer when my honourable friend from Huron (Mr. McKinley) posed his question. Members of this House have pleaded with the minister to give consideration to pensioners who will receive $80 as is proposed.

These pensioners are being discriminated against in another way. The fact is, as was pointed out by the minister in committee, that any shortfall due to an increase in the cost of living will be picked up by the

recipients of the guaranteed income supplement. This is not so in the case of recipients of the basic pension. The minister, in his comments at the report stage, indicated that all kinds of money would be required.

The Acting Speaker (Mr. Laniel): Order, please. The Chair invites honourable members who wish to carry on conversations to do so outside the House, in order to permit interested members to follow the speech of the hon. member for Perth-Wilmot (Mr. Monteith).

Some hon. Members: Hear, hear!

• (10:30 p.m.)

Mr. Monteith: Thank you very much, Mr. Speaker. I found myself yelling pretty loudly in order to be heard above the turmoil in the House. However, I appreciate that the hour is late. I simply point out that apart from one small contribution from across the way in defence of the minister, which I do not think was too important, all the members who have spoken from the opposition benches today have pleaded with the minister that he reconsider our thoughts on the matter as well as the rights of the recipients of the basic pension. As a consequence, I propose to give the minister one more opportunity for a second thought about this very serious step that he is taking. This bill departs from the principle of universality that the old age pension has carried with it since its inception in 1950 or 1952, a principle that was the unanimous recommendation of an all-party committee. I suggest such departure is a very dangerous one.

I appreciate this principle was departed from when the guaranteed income supplement was originally brought in, but we are here taking a further discriminatory step by putting these people into a certain class which will not receive the cost of living increment. Therefore, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That all the words after "that" be struck out and the following substituted:

"Bill C-202, an act to amend the Old Age Security Act, be not now read the third time as this House is opposed to a bill which fails to include any adequate cost of living provision in respect of the basic amount of the monthly pension".

The Acting Speaker (Mr. Laniel): Order, please. Having read the amendment put by the hon. member for Perth-Wilmot, the Chair feels it should consider it procedurally. The motion would postpone third reading of the bill and at the same time seems to impose a condition thereon. Consequently, the Chair might want to do some reading on the matter.

Mr. Baldwin: Mr. Speaker, I will be brief in case the Chair intends to dream on this amendment tonight. We are simply declaring a principle adverse to the bill. The bill does not contain this aspect that we feel is essential. We are not attaching a condition to the bill; we are simply declaring that the bill is to this extent repugnant to us, not in its entirety but simply because it fails to contain this provision. I think this is the basis upon which the hon. member has moved his very sensible

Division

amendment, which the minister might be prepared to accept.

Mr. MacEachen: Mr. Speaker, I am quite prepared to waive any doubts that may exist as to the regularity of the motion, and have it put. From our point of view, we will accept the motion that the motion be put, waiving any doubts we may have about its regularity.

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): Under those circumstances, the Chair feels that the question can be put. The Chair will put the question if hon. members agree unanimously that it be put.

Some hon. Members: Agreed.

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

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Call in the members.

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

• (10:40 p.m.)

YEAS

Messrs:

Alexander
Alkenbrack
Baldwin
Beaudoin
Bell
Benjamin
Bigg
Broadbent
Burton
Cadieu
Coates
Comeau
Crouse
Dinsdale
Dionne
Douglas (Nanaimo-Cowichan-The Islands)
Fairweather
Fortin
Gilbert
Godin
Grills
Gundlock
Hales
Harding
Horner
Howard (Skeena)
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
Laprise
La Salle
Latulippe
Lewis
Lundrigan
MacEwan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
McCleave
McCutcheon
McGrath
McKinley
Marshall
Mather
Mazankowski
Monteith
Muir
Murta
Nesbitt
Nystrom
Orlikow
Peters
Ricard
Ritchie
Rodrigue
Rondeau
Rose
Rowland
Ryan
Rynard
Saltsman
Scott
Skoberg
Southam
Stanfield
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Yewchuk—72.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Béchard
Beer
Benson
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Longueuil)
Crossman
Cyr
Danson
Davis
Deachman
Deakon
De Bané
Douglas (Assiniboia)
Dupras
Duquet
Forest
Forget
Foster
Francis
Gendron
Gibson
Gillespie
Givens
Goode
Guay (St. Boniface)
Guilbault
Hellyer
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jerome
Kaplan
Lang (Saskatoon-Humboldt)
Langlois
Laniel
LeBlanc (Rimouski)
Legault
Lessard (LaSalle)
Lind
Loiselle
MacEachen
MacGuigan
Mackasey
McNulty
Mahoney
Marceau
Marchand (Kamloops-Cariboo)
Morison
Munro
Murphy
Noël
O'Connell
Olson
Osler
Pelletier
Penner
Pepin
Perrault
Pringle
Reid
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
St. Pierre
Tolmie
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whiting—100.

• (10:50 p.m.)

Mr. Speaker: I declare the motion lost. Is the House ready for the question on the main motion?

Some hon. Members: Question.

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

Some hon. Members: On division.

Mr. Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

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

An hon. Member: Ten o'clock.

Mr. Speaker: Order, please. Some hon. members have called it ten o'clock, or eleven o'clock as the case may be. At this point the question is whether we should proceed to the adjournment debate. My interpretation of Standing Order 40 (7) is that we cannot have the adjournment proceedings unless there is consent of hon. members. Is there unanimous consent for this purpose?

Some hon. Members: Agreed.

Mr. Speaker: It is a little difficult for the Chair to decide whether there is unanimous agreement. Perhaps I should hear from the Government House Leader.

Mr. MacEachen: Mr. Speaker, I think if hon. members have questions that they wish to speak to, we ought to hear them tonight and allow the House to extend the sitting.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

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

[*Translation*]

CANADIAN BROADCASTING CORPORATION—ALLEGED INVITATION TO FRANÇOIS GIROD

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I was under the impression for a moment that the House would adjourn this debate, but I am happy to discuss this matter while the minister is in the Chamber.

Proceedings on Adjournment Motion

On November 23 last, I asked the Secretary of State (Mr. Pelletier) if, as usual, the CBC was going to rush an invitation to the revolutionary François Girod, alias Giroux, who made some inflammatory statements in Algeria in connection with the FLQ and security in Quebec?

I also asked the hon. Minister of Justice (Mr. Turner) whether Girod's visit to Canada would be watched closely and whether he would be declared a member of the FLQ on entering Canada, under the Public Order Act, 1970.

The statements of this revolutionary made me very anxious, and while it is normal that our borders should be closed to James Cross's kidnappers, because people of this sort are considered as undesirable, I think that it should the same for those who visit communist countries in order to learn how to destroy democracy and practice terrorism.

As it happened Giroux was in Algeria to obtain that this country recognize the Canadian FLQ and, in an interview published in *Express,* he declared among other things, and I quote:

> Having maintained disorder, kidnapped other people who will want to harm us, we shall launch such a powerful attack that Trudeau will have to call the Americans. The latter will rather give us our independance.
>
> Before that time, according to him, the FLQ will have a representative in Cuba—

Well, they already have seven.

I continue the quotation:

> —another one in old Ireland, and a third, underground this one, in France who after having been concerned with Palestinians could very well think of his far away cousins.
>
> Giroux mentions that he is going back to Canada but with great misgivings.

Canada has been flooded for ten years with revolutionaries like Giroux and we can now see the results. The CBC has always welcomed them and allowed them to inject their venom into the people, often paying them with funds coming from the taxes of all the citizens.

The programs "Téléjournal" and "Aujourd'hui" have often been parading gounds for a great number of Marxist revolutionaries preaching hatred. I have here a lengthy list of separatists who have poured their bitterness against the established order.

The leader of the Ralliement Creditiste (Mr. Caouette) has protested in the House against the attitude of the CBC about left-wing separatists of any stripe.

I shall quote part of a speech he gave in the House on June 13, 1969:

> I have often blamed the C.B.C. in connection with the separatist movement. The C.B.C. is responsible for the upsurge and the image the people have in Canada of the separatist movement in the province of Quebec. Every time there is a small demonstration of protest, C.B.C. cameramen are on the spot.
>
> But for the centennial celebration of confederation, the C.B.C. was absent. Why? Because there are avowed separatists among C.B.C. officials. I have no objection to their being separatists, but I object to the fact that they want the general public to believe that all the people are saparatists. That is bad. That they have a right to express their opinion, very well, but those with different political opinions should be able to express them.

I ask the Secretary of State and the Minister of Justice to be very careful about people whose only aim is to destroy for the benefit of international communism.

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, in the few minutes I am allowed to answer the hon. member's question, obviously I cannot separate the true from the false, or the doubtful, in the allegations he has just made.

I shall therefore limit myself to answering the question itself, and say that in the light of available information, Mr. Girod or Giroux is not known at the CBC, no one knows who he is, or has ever heard of him, and there has never been any question of his being invited to Canada.

[*English*]

AIR TRANSPORT—FARES BASED ON CANADIAN DOLLAR PEGGED AT 92 CENTS—PAYMENT OF COMPENSATION FOR OVERCHARGING

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, since November 25 I have been pursuing the question of the discriminatory charging practices applied against Canadians paying international air fares in Canadian currency. I have been informed that the Canadian Transport Commission has taken action. The front page of today's Ottawa *Citizen* carries a report to this effect. It reads:

● (11:00 p.m.)

The Canadian Transport Commission announced today it will impose an exchange rate on the American dollar in terms of Canadian currency for use by all airlines in Canada, effective immediately.

This, of course, is the sort of response we wanted from the government and the CTC. It is unfortunate that the discriminatory practice was allowed to continue so long, because there is in the AITA manual on traffic conference resolutions the procedures for immediately removing this discrimination. The same procedures are set forth in the commercial air regulations. It would appear that the government's own carrier, Air Canada, has been the worst offender in this regard. Some of the publicity which it has issued indicates that the AITA has precluded the possibility of action on the matter before April, 1971. The news story, of course, refutes this. This does not settle the decision which has come almost eight months after the beginning of a discriminatory practice which began last June 1. That is when the Canadian dollar was unpegged. Since that time, Canadian passengers on international air services have been overcharged by an average of 5.63 per cent compared with passengers using American funds. If we calculate the total amount of international airline passenger revenues from May 31 to December 1, we arrive at a figure of $110 million. This represents a loss of approximately $4.5 million to Canadian consumers.

Yesterday I directed a question to the Minister of Consumer and Corporate Affairs (Mr. Basford). As he has done on several occasions when this matter has been brought to his attention, he passed the buck to the Minister of Transport (Mr. Jamieson). The Minister of Transport has accepted his responsibility in this matter and obviously, through the order of the CTC, did what was necessary to remove the discriminatory practice. I suggest it is up to the Minister of Consumer and Corporate Affairs, who has been very long on talk and very short on action, to assume his responsibilities in these matters.

Canadian consumers have been bilked out of a substantial sum of money. In many cases they have been older citizens who have saved all their lives for a trip back to the old country. They paid $30 or $40 more than necessary had the legitimate rate of exchange been applied to their fare. This matter concerns Canadian consumers. I maintain they should be compensated for the amount they have been overcharged. This also involves misleading advertising, because the air carriers, particularly Air Canada, have indicated that there is no redress under the procedures that are available. It should be pointed out that airline tickets stipulate that prices are "subject to change prior to the commencement of travel".

By the same token, air travel consumers should have countervailing protection when international currencies fluctuate. If the fluctuation in the exchange rate had meant a loss of revenue to the air carriers, they would have been the first to change their regulations accordingly. Obviously there has been collusion. It is the responsibility of the Department of Consumer and Corporate Affairs to protect the interests of consumers in this regard. I trust that the minister and the government will assume their responsibility in these matters.

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, let me first apologize to the hon. member for Brandon-Souris (Mr. Dinsdale) on behalf of the Minister of Transport (Mr. Jamieson) who could not be here tonight to answer the hon. member's question.

Obviously, this question is of considerable import and I trust the hon. member will recognize, as he has just said, that the minister's answers have been followed by substantial action.

Representations in this regard have been made to the Minister of Transport who asked that this matter be seriously investigated. This investigation is now under way and I can assure the hon. member for Brandon-Souris that as soon as it is concluded and that the minister has received detailed information, he will immediately refer this information to the House and point out what action has been taken on this matter.

[*English*]

IMMIGRATION—REASONS FOR DECREASE IN NUMBER OF CHINESE ADMITTED TO CANADA

Mr. S. Perry Ryan (Spadina): Mr. Speaker, on Tuesday of this week I, and not my hon. friend from Parry-Sound-Muskoka (Mr. Aiken) as reported in the Canadian Press, asked the Minister of Manpower and Immigration (Mr. Lang) whether he would explain to the House the reason for the drastic decrease in Chinese immigration to Canada, as shown by the figures for this year and last

year which are published quarterly by the Department of Manpower and Immigration.

The most recent quarterly immigration bulletin, that for the period ended September 30, shows Chinese immigration from Asia as down by 2,423 landed immigrant admissions. I ask hon. members to compare the picture for the first nine months of 1969 with that for the first nine months of 1970. The number admitted in the first nine months of 1969 was 6,655, whereas the number admitted in the first nine months of this year was 4,232. Having regard to the thousands of refugees in Hong Kong who are desirous of coming to Canada, the trickle admitted to this country during the whole of 1969—the figure is 8,272—is being cut to less than two-thirds in the present year. There was also a decline in 1968 as compared with 1969, but it was only by 110.

The minister may tell us that the points system is in part responsible for the dramatic decrease I have indicated, but I do not really think so since there are thousands of Chinese who could easily pass the points test if they were given a positive opportunity to apply, be interviewed and be screened. But the attitude of the department is one of negation and brush-off for the most part.

Virtually every Canadian is aware nowadays that one of the best possible types of immigrant to Canada is a refugee of Chinese origin from Hong Kong. He may bring little or much with him, but in either event he fits easily into the Canadian pattern. He is welcomed into the already established Chinese communities and is able to integrate his customs smoothly with Canadian ways and customs. Whether he is skilled or unskilled, it is seldom you will find him unemployed no matter what the economic difficulties of Canada may be at any given time. The current recession is thus no excuse for processing fewer applicants in Hong Kong. These immigrants, if anything, lend momentum toward overcoming a recession.

I know our immigration office in Hong Kong claims it has no Canadian method of screening applicants for security; that it has to rely on the Hong Kong police force, and that this force will only process so many applicants per month. I hope the minister or his Parliamentary Secretary are not going to claim that the quota to our Canadian office by the Hong Kong police force has been diminished by that authority. If so, the minister should be soundly condemned for not making the necessary contract with the Hong Kong police so that they could employ extra police officers for the sole purpose of checking out prospective immigrants to Canada and obtaining more of them. The minister's department could always have greatly increased the flow to Canada by the simple device of making such a contract.

Proceedings on Adjournment Motion

• (11:10 p.m.)

It is my understanding that the Hong Kong police force has always been ready, willing and able to help their surplus population emigrate to Canada but that they can only do so much for nothing, particularly for the Canadian immigration office. The Immigration Act and its regulations speak, in theory, of non-discrimination, but in reality there are many means of practising discrimination. The apparent chop-off of Chinese immigration is prima facie evidence of discrimination in practice. Let the minister explain the reason or reasons, if he can. The question demands an immediate answer.

Mr. Chas. L. Caccia (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, if the hon. member has done some homework before rising to his feet in the House tonight, he would have discovered that the pattern of decline in immigration during the first nine months of the year is not a peculiarity of Chinese immigration but a characteristic in the immigration pattern of a number of countries, particularly European countries. Therefore, it has nothing to do with Chinese immigration per se; it is an established fact that is beyond the control of the department.

If the hon. member had proceeded further with his homework before raising the question of discrimination, as he did, he might have discovered that the Chinese communities of Toronto, Montreal, Hamilton, Sarnia, Burlington, Orillia and Peterborough, in a memorandum submitted to the Minister of Manpower and Immigration (Mr. Lang) in June, 1969, had this to say:

> —we more than welcomed the coming into force of the new immigration regulations on October 1, 1967. The new regulations took away the last vestige of discrimination against Asians and Africans on the face of the law as the former special sponsoring privileges given to Europeans were revoked—This is a positive step towards an objective standard and a far cry from the days of head taxes and the Chinese Exclusion Act. The Liberal government should be commended for this achievement.

As every student of our immigration policy knows, the regulations of 1967 have broadened considerably the categories of persons eligible to be called forward by their relatives in Canada. The upsurge in applications for previously excluded relatives is now levelling off and this process is beginning to become evident. The fact is that there is no increase in the number of applications awaiting processing in Hong Kong.

Mr. Dinsdale: I have six waiting.

Motion agreed to and the House adjourned at 11.16 p.m.

HOUSE OF COMMONS

Friday, December 18, 1970

The House met at 11 a.m.

PRIVILEGE

MR. MORISON—ACCURACY OF TORONTO "STAR" REPORT RESPECTING DELAY OF CHRISTMAS RECESS BY OPPOSITION

Mr. J. B. Morison (Halton-Wentworth): Mr. Speaker, I rise this morning on a question of privilege affecting members of the Standing Committee on Regional Development in general and more particularly myself. It was reported in the Toronto *Star* of December 17 that I had charged that the opposition was delaying the Christmas recess. The report goes on to state that the committee could not adjourn for holidays before dealing with the problems of unemployment as we were trying to do through Bill C-205.

There are some people in this world who have illusions of grandeur, but I should like to assure the House that I am not one of them. I know very well where the power in this House lies, and it certainly does not lie with chairmen of committees.

Some hon. Members: Oh, oh!

Mr. Morison: The incorrect attribution of such powers to chairmen of committees is incorrect reporting affecting the affairs of the House. It could also lead to some very dangerous impressions with regard to other committees. I also believe that such irresponsible reporting puts the members of a committee in a poor light so far as the people of Canada are concerned. I assure the House that the members of my committee were most co-operative inasmuch as they had a very serious bill to consider and a very short time in which to do it.

* * *

CAPE BRETON DEVELOPMENT CORPORATION

PETITION RESPECTING PENSION PLAN OR IMPROVED EARLY RETIREMENT BENEFITS FOR FORMER COAL MINERS—REFERENCE TO COMMITTEE

Mr. Speaker: As hon. members will recall, on Friday last, December 11, a petition was presented to the House by the hon. member for Cape Breton-East Richmond (Mr. MacInnis). There was unanimous agreement at the time to receive the petition and have it considered in some way. The procedure was novel and I undertook at that time to the House to have discussions and to see whether the matter of the petition might be pursued. Since then I have had discussions with the hon. member for Cape Breton-East Richmond and a few moments ago with a few other members of the House.

23568—67

It appears that there is a general disposition to agree with the hon. member for Cape Breton-East Richmond that the subject matter of the petition presented to the House by him should go to one of the committees of the House. There was a difficulty in determining which committee that would be, but I believe there is now an agreement that the subject matter of the petition should go to the Standing Committee on Justice and Legal Affairs. I doubt whether there is any point in discussing the matter further, but if there is agreement, there might be an order to proceed on this basis. Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

• (11:10 p.m.)

ROUTINE PROCEEDINGS

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS

Second report of Standing Committee on Public Accounts—Mr. Hales.

LABOUR, MANPOWER AND IMMIGRATION

First report of Standing Committee on Labour, Manpower and Immigration—Mr. Weatherhead.

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

* * *

HOUSE OF COMMONS

CHRISTMAS ADJOURNMENT MOTION

Hon. Allan J. MacEachen (President of the Privy Council) moved:

That the House adjourn immediately after returning from attending Royal Assent to Bill C-211 (Supply Bill) and to any other measures; and

That it shall stand adjourned until 2.00 o'clock p.m., Monday, January 11, 1971, provided always that if it appears to the satisfaction of Mr. Speaker, after consultation with Her Majesty's Government, that the public interest requires that the House should meet—at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

That, in the event of Mr. Speaker being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy

Chairman of Committees shall act in his stead for the purpose of this order.

He said: Mr. Speaker, there are one or two points I wish to make with regard to this motion. I hope that we will be able to have Royal Assent later today. In order to reach that objective, the House will have to agree to waive the normal rules with respect to Bill C-205, to amend the Regional Development Incentives Act. My short comment on this motion may give the House an opportunity to decide unanimously to allow this bill to be discussed today and to move it through all its stages. It is my expectation that we will have Royal Assent, depending upon the other place, shortly after we have dealt with that bill.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I think the President of the Privy Council (Mr. MacEachen) has indicated the hope of hon. members that we will be able to proceed with this bill through all its stages today, allowing adequate opportunity for debate and discussion, so I have no objection to the proposition.

I must point out, however, that this is a bill of considerable magnitude and importance, parts of which have not been acceptable. It is hoped that when bills of this nature and character are brought forward by the government they will be tabled for first reading so that members of all parties who have a deep interest and concern will have an opportunity to examine them, make their case and make adequate preparation for second reading and committee hearings. This did not take place with this particular bill. I must file this caveat and make this request of the government. If the proceedings of this House are to be conducted properly, opposition members, private members, will need to have adequate time to examine the details of the legislation.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we are happy to agree to the motion of the President of the Privy Council (Mr. MacEachen) regarding the time of adjournment and the length of the recess. We are also prepared to give consent to the necessary waiving of the relevant Standing Orders so that we can deal with order number 47 and pass the bill through all its remaining stages today. I assume that this includes, of course, the right to deal today with the report stage amendment which is on the order paper, and that, in the spirit of co-operation which is being displayed, any other adjustments which are necessary will be agreed to.

Mr. Peters: Including other amendments.

Mr. Speaker: Hon. members have heard the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. Speaker: I gather that in addition to the terms of the motion there was a suggestion by the President of the Privy Council, the details of which I shall not repeat. Is it agreed that we proceed with the consideration of the legislation in question as suggested by the President of the Privy Council?

[Mr. MacEachen.]

Some hon. Members: Agreed.

An hon. Member: No.

Mr. Speaker: This requires the unanimous consent of the House. There does not appear to be unanimous agreement and in these circumstances the only thing we can do is to proceed with the motion as it has been put by the President of the Privy Council. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

BANKRUPTCY

TABLING OF REPORT OF STUDY COMMITTEE—STATEMENT BY MINISTER

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have the honour to table in the two official languages the report of the study committee on bankruptcy and insolvency legislation together with two statements being issued herewith.

The report contains proposals for changes and recommends that a new Bankruptcy Act be enacted to deal in a comprehensive way with both commercial and non-commercial bankruptcy. The government, for its part, has examined the report and is in general accord with the recommendations of the committee.

The revision of our bankruptcy and insolvency laws ranks high in the list of priorities. I should like to introduce a bill as soon as possible, and I should therefore appreciate it if interested associations and organizations and the public in general could give me the benefit of their views on the report and their suggestions before the end of January next so that those views can be taken into account in our drafting work.

In conclusion, I want to express the thanks and gratitude of the government to the members of the committee, Messrs. Tassé, Honsberger, Carignan and Landry, for the work they have done in preparing this report.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to thank the minister for providing us with a copy of the report and an indication of his remarks in sufficient time for us to be able to comment with a little more precision on the subject matter.

The report, as we see it, makes an extensive review of bankruptcy legislation as it is applied not only in Canada but elsewhere. It draws attention to the fact that the Parliament of Canada has exclusive legislative power in the field of bankruptcy and insolvency, and that these two subjects have been broadly interpreted by the courts. As the report further comments, in the operation of federal legislation in this area Parliament has come into conflict with the exclusive legislative competence of provincial legislatures, particularly in connection with the administration of justice, property and civil rights and other matters. Some provinces have taken steps to deal with such questions involving insolvency, such as the

orderly payment of such debts, and la loi Lacombe in the Province of Quebec.

I wonder, however, whether the minister is right in asking for comments by the end of January since he intends to bring in legislation at an early date. I suggest to him that because of the vastly changed social and economic conditions it would be better to refer the report to the appropriate committee, say the Justice and Legal Affairs Committee, and that the public be invited to make representations and comments with regard to it. I put it to you, Mr. Speaker, that there is no point in making representations to the minister himself, with the minister then introducing a bill which would have to be commented upon and likely severely attacked and modified in committee. I suggest that in the long run the better procedure would be to refer the report to the committee and have representations made publicly, not to the minister. It is not the minister and his officials who are going to decide the bankruptcy law of this country; the provinces have something to say, as does also the public.

• (11:20 a.m.)

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have not yet had an opportunity to look at this report and therefore I cannot make any lengthy or intelligent comment upon it. However, this party is extremely interested in the report, which affects not only commercial and general trade activity but also individuals, particularly small businessmen. As we know, for a long time there has been a need for revision of the bankruptcy and insolvency laws. All I need say at this time is that we promise the minister, the government and also the people that we will give this report careful study and will co-operate as much as we can in bringing forward in the House updated and satisfactory bankruptcy legislation.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish first to express my appreciation to the minister for tabling in the House this report which has been expected for six years at least.

Having had an opportunity to study it this morning, I must agree with the hon. member for Edmonton West (Mr. Lambert).

I suggest that this report should instead be referred to the Committee on Justice and Legal Affairs, for it contains more than 110 very important recommendations. These recommendations, however, are not divided by chapters. They deal with the bankrupt, the registrar, the public trustee and also the procedure for obtaining release. These recommendations are very important in my opinion, but we should instead have an opportunity to study this report in the Justice and Legal Affairs Committee to help the minister, and as he has just stated, to be able to make interesting suggestions, for after a quick glance at this report, I still note further shortcomings in the present Bankruptcy Act.

For instance, as far as courts are concerned, it is recommended that the Superior Courts of the provinces

be the ones empowered from now on to settle bankruptcy problems.

It is now common knowledge that in the bankruptcy field some dilatory disputes, instead of being brought before Bankruptcy Courts, are referred to Superior Courts, and these being over-burdened with cases, it takes at least three years to obtain a decision, which in turn delays decisions in Bankruptcy Courts, to the detriment of the bankrupt and the trustee.

Some regulations I consider to be valid but on the other hand, if we want to study the pros and cons, it is very important that the minister, before asking us to submit written recommendations to assist him in introducing a bill, should give us an opportunity to examine the whole file within the Justice and Legal Affairs committee, where we will be able to help him to prepare his bill and take into consideration amendments not provided in the recommendations, and also see that the recommendations submitted this morning are implemented.

* * *

[*English*]

FISHERIES

ANNOUNCEMENT OF ESTABLISHMENT OF FISHERIES CLOSING LINES

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, by amending the Territorial Sea and Fishing Zones Act earlier this year Parliament laid the foundation for the establishment of exclusive Canadian fishing zones comprising certain areas of the sea adjacent to the coast of Canada. These provisions were enabling only. The creation of new zones requires executive action by way of an Order in Council.

I am pleased to inform the House today that the required action is now being taken to draw "fisheries closing lines" across the entrance to the Gulf of St. Lawrence, the Bay of Fundy, Queen Charlotte Sound and Dixon Entrance-Hecate Strait. A government notice to this effect will be published in the Canada Gazette on December 26, 1970.

The fisheries closing lines will become effective immediately upon the expiration of the mandatory 60 days waiting period imposed by the amended Territorial Sea and Fishing Zones Act.

The special areas to be enclosed by fisheries closing lines are important fishing zones for Canada. The Gulf of St. Lawrence has had annual landings of up to 550 million pounds of fish valued at $31 million, the Bay of Fundy's landings are about 300 million pounds yearly, worth about $12 million, and the Pacific Coast area has landings of 180 million pounds, worth $37 million.

Having established these new fishing zones, the Canadian government intends to conclude negotiations for the phasing out of the fishing activities of certain countries which have traditionally fished in the areas concerned, namely, the United Kingdom, Denmark, France, Italy, Norway, Portugal and Spain. Canada has recently entered into an agreement on reciprocal fishing

privileges with the United States and the activities of United States fishermen in the areas concerned will not be affected by the promulgation of the fisheries closing lines.

Anti-pollution provisions of our Federal Fisheries Act and the Canada Shipping Act will apply within the limits of our new fishing zones, thus adding additional scope to Canada's efforts to preserve and improve the marine environment around our shores.

I would now like to table a four-page statement which was prepared in consultation with the Department of External Affairs. It provides additional information on the promulgation of the fisheries closing lines as defined by the Territorial Sea and Fishing Zones Act. May I ask the permission of the House, Mr. Speaker, to have this statement appended to today's *Hansard*.

Mr. Speaker: Is it agreed

Some hon. Members: Agreed.

[*Editor's Note: For statement referred to above, see Appendix.*]

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I listened with interest to the statement made by the Minister of Fisheries which indicates that action will finally be taken to conserve some of our fisheries resources. I know this announcement will be welcomed by all Canadians, and it will be especially welcomed by fishermen and processors on the east and west coasts.

While waiting for some action on this matter, many of our fishermen were beginning to realize the meaning of the word eternity, for history records that legislation respecting our territorial waters and fisheries laws was introduced by the Hon. Paul Martin, then Secretary of State for External Affairs, with much fanfare back on May 20, 1964. At that time the minister said that the bill respecting the territorial sea and the fishing zones of Canada was not enabling legislation. "On proclamation", he said, "the 12-mile fishing zone will be established—there can be no doubt about this point." A lot of fish have passed over the rails of foreign fishing vessels since that date. Today we see our fisheries resources seriously affected. In fact they have been depleted to the danger level as a result of the inaction and procrastination of this government.

I would point out that the announcement made by the minister today is long overdue, and in our view it is only a beginning. It is only the beginning on the long road back toward obtaining and retaining fishing resources which rightfully belong to our Canadian fishermen. However, I say it is only a beginning since the action taken today will leave many problems still unresolved.

The exclusive fishing zones, for example, as announced by the minister are not complete protection for the stocks of fish on our coasts. The only way to provide for proper conservation is to vest in the coastal states ownership and jurisdiction over the fishery resources on the continental shelf. This would be a logical extension of the United Nations convention on the continental shelf which already recognizes ownership of resources on and under the sea-bed of the shelf. Even this would not provide protection for anadromous species like salmon which roam far to sea during their early stages. Canada's Atlantic salmon are being intercepted on the high seas of the Atlantic, and the International Commission for the North Atlantic Fishery has expressed grave concern about the depletion of this valuable resource. In our opinion, nothing short of universal acceptance of the abstention principle will adequately protect Canadian salmon on both coasts.

• (11:30 a.m.)

Finally, this country must do everything within its power to work toward convening another United Nations Law of the Sea Conference at which we must strive for acceptance of at least two principles. One of these principles is the continental shelf concept for our fisheries resources. The other is the universal acceptance of the abstention principle for an anadromous species like salmon. In order to bring this about we need someone in the Department of External Affairs who recognizes the value to Canadians of our fishing industry, as it is obvious that the present minister does not share our concern. In fact, the present minister was only recently in Europe and he made no effort, according to his own statement to me in the House, to resolve the differences which exist between Canada and France over fishing rights surrounding the French-owned islands of St. Pierre and Miquelon. In view of the importance of the fishing industry I hope the Prime Minister (Mr. Trudeau) will consider strengthening the Department of External Affairs with someone knowledgeable on fisheries matters so that progress can be made at the international level toward solving some of our thorny fishing problems.

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to express my appreciation to the minister for his kindness in sending us a copy of the statement he made earlier so that we could have a look at it. I think it might have been worth while if we could also have had a look at the four-page statement to be appended to *Hansard*. It would have made his statement more meaningful because the statement the minister made is sufficiently bare to leave a few gaps in our understanding of what has taken place. I believe it also indicates that we cannot have a great deal of faith in what the minister and the government say concerning fisheries matters because when the bill to amend the Territorial Sea and Fishing Zones Act was before the standing committee during the last session the minister said that in a matter of a few days he would have the fisheries closing lines established, but those few days have dragged on into seven months. That does not lead us to have much faith in the pronouncements of the minister about what he intends to do but indicates that we should pay more attention to what he does or does not do.

One point that has been dealt with extensively before the committee and in fishing circles, a matter with which we have concerned ourselves for some time, is the extension of our jurisdiction to the continental shelf and continental slope. The minister himself made a great play on that idea before the committee and elsewhere, saying

that it was the intention of the government to extend jurisdiction to those areas so as to include groundfish as well to the extent we would have jurisdiction over it and to prosecute the fishery to the full extent on continental slope.

A few years ago the committee on fisheries which examined the estimates unanimously recommended to the government that the fisheries jurisdiction of Canada be extended to the continental shelf and slope. This has been completely ignored by the minister in his statement today and up to this time. There is no indication in the statement that any consideration is being given to that matter. In fact, its phraseology in terms of drawing fisheries closing lines across the entrances to certain waters indicates to me that this matter has in fact been completely ignored.

In dealing with fisheries we must concern ourselves with two fronts: first, the extent to which we can extend our jurisdiction to the edge of the continental slope and, second, the extent to which we can involve ourselves in international agreements with other nations to ensure that the fish of the high seas which originate in our land are preserved to the fishermen of this nation. We have a potential lever which was not used. If the government had taken the action of extending the fisheries closing lines out to the continental shelf and the edge of the continental slope, we might have been able to prevent the minister giving the right to the Soviet Union to fish inside our territorial sea, as he did earlier this year.

To return to the point I made about the degree of faith we should have in the minister, when he was asked in the House about the agreement with the Soviet Union he said he would gladly refer that matter to the standing committee. So far he has forgotten about that as well. I think we need a little more action and concern not only on the part of the Department of Fisheries but also on the part of the Department of External Affairs, and less froth and foam.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I wish to congratulate the minister for providing us with an advance copy of the French version of the statement he has just made.

We are very happy that the government has taken these measures, thanks to the excellent work of the Minister of Fisheries and Forestry.

Fishermen on the East coast have been requesting a measure of this kind for a very long time, in order to keep for themselves the fish crops, and we are proud of it. Also, in order to control in the future pollution dangers in our territorial waters, such action was called for, I believe.

Therefore, we commend the good work of the minister and we hope he will continue to be interested in fishermen and all interested parties for the greatest good of all Canadians.

Post Office

POST OFFICE

ANNOUNCEMENT OF IMPROVEMENT OF SATURDAY WICKET SERVICE

Hon. Jean-Pierre Côté (Minister without Portfolio): Mr. Speaker, I am pleased to announce that main post offices and most postal stations in urban centres will return to complete counter service on Saturdays.

Some hon. Members: Hear, hear.

Mr. Côté (Longueuil): This is to replace the limited service offered since the start of five-day week letter carrier delivery in February 1969.

Extensive surveys were taken of the services provided on Saturdays, and these have shown a need to make services such as stamps and money orders available again at the majority of offices studied. However, the surveys also indicated that the need varies widely from city to city and even in different sections of some cities.

[*English*]

The hours of Saturday service at individual offices and the selection of locations to provide the increased service will, therefore, be determined by community needs. This will be left to the discretion of senior field managers who are familiar with local conditions and service demands. The improved service will begin on a regular basis from January 9, 1971. A Merry Christmas to all Post Office employees and to all customers of the Post Office.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to begin by thanking the minister for his courtesy in providing, in good time and in both languages, copies of his statement. Indeed, I would say to him that his general considerateness and courtesy have detracted somewhat from the spice and enjoyment of the role I am trying to perform on behalf of the Progressive Conservative party.

I am impressed by the strangeness of the fact that it has become necessary to announce in the House of Commons a resumption of postal service to the Canadian people. I appreciate the fact that it is being done but it is surprising that it was necessary that such an announcement be made. I think, Sir, that this action marks another repudiation of the more preposterous and tortuous innovations of the minister's predecessor, and I commend this minister for his willingness to recognize that certain events, incidents and developments of some months ago were in fact very bad mistakes.

• (11:40 a.m.)

I note that it required "extensive surveys of the services provided on Saturday." This, I thought, would hardly have been necessary. No major inquiry should have been required because hosts of Canadians do have difficulty in transacting business with the Post Office on days other than Saturday, and many Canadians combine a visit to the Post Office with their Saturday shopping. I think it was not required to have a massive inquiry into that.

I am a little concerned also about the suggestion of flexibility. It seems to me that there is now too much variation in the postal service. Rural Canadians get six-day delivery, urban Canadians get five-day delivery, and there are many Canadians in suburban areas who are not quite sure where they stand or where the postman is going to come from and on what day.

As I said at the beginning, I commend the minister for taking this remedial action, but I say to him that it will not be sufficient. The five-day mail service has been a fiasco, and the sooner we get back to six-day mail service, which most countries in the world have, the better it will be for all, including those in the Post Office. Much of the delay in the mail delivery in Canada—and it has been appalling in the last few years—stems from this lost weekend, this blackout of mail delivery from Friday until Monday, which is followed by a backlog of mail that has to be worked through on Monday, and the delays sometimes last until Wednesday. This is part of the problem.

I commend to the minister's attention the recommendations of the Davey Committee on the mass media. I am not one of those who believe that the Senate is a useless body. I hope the Prime Minister in future days will remember my regard for it.

Some hon. Members: Oh, oh!

Mr. Macquarrie: I referred yesterday to a question based upon the report of the Davey Committee which said something that many of us have been saying for a long time, namely, that the new postal rates were most injurious to newspapers in the country. It also made a very strong statement on the five-day delivery. It said:

> What we do urge to assist these (daily) newspapers—and almost all weekly newspapers—is the earliest possible resumption of Saturday mail deliveries. The lost weekend has hit some newspapers—

Mr. Speaker: Order, please.

Mr. Macquarrie: May I ask, Sir, what I have done?

Mr. Speaker: Order, please. The hon. member has made an excellent statement but it appears to the Chair that he is ranging far and wide. The statement which the hon. member is allowed to make according to the Standing Orders should be closely related to the statement made by the minister. The minister dealt with only one aspect of the postal services, but it seems to me that the hon. member is going somewhat beyond the very limited scope of the statement made by the minister. That is why I thought I should invite the hon. member to return as soon as possible to the substance of the statement made by the minister in charge of the Post Office.

Mr. Macquarrie: Thank you, Mr. Speaker, for your advice. I was merely commending the minister for what he has done and urging him to do a little more. I was quoting one sentence from the report of the Davey Committee on mass media. I do hope that the minister will rediscover still more of this lost weekend and that we will have even more service on Saturday than that which he has announced today.

I commend him for the return to normalcy, and I hope that this small step today will be followed by a giant step tomorrow. I also join him in wishing merry Christmas to the postal employees.

Mr. Barry Mather (Surrey): Mr. Speaker, the announcement of this partial restoration of the once proud Canadian postal service will no doubt be welcomed by the people in the areas to be affected. I think it is notable that the public of Canada has had very little to welcome from such announcements in the past two years. Under the present government there has been a notable decrease in service and a substantial increase in postal rates, as well as long drawn-out labour disputes. Part of the trouble involved in the Post Office may be related to the fact that in the last 11 years we have had seven and a half Postmaster Generals. They have not been in office long enough to learn the business, even by mail. Like the previous speaker for the Official Opposition, we hope that the announcement today of this small step restoring part of the service that we used to enjoy will be a mere forerunner of many other such steps in line with those suggested for a long time by the opposition. In wishing the minister a merry Christmas I can assure him that his Christmases will be merrier and merrier in line with his co-operation with the logical proposals of the opposition to improve the service.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, on behalf of my colleagues of the Ralliement Creditiste, I wish to offer my sincere congratulations to the Minister without Portfolio who is responsible for the Post Office (Mr. Côté) for having announced today the re-establishment on Saturdays of a service that is essential to the people.

Mr. Speaker, the former Postmaster General (Mr. Kierans) stated in the House on September 27, 1968, as shown in *Hansard* of that date, and I quote:

> Mr. Speaker, I have a statement regarding changes in the operations of the Post Office.
>
> Our studies have indicated that several services are no longer required to the same extent as in the past. Business firms generally are operating on shorter hours and on a five day week. There is not, therefore, the same need to provide postal service on week ends when most businesses are closed.

Mr. Speaker, in conclusion may I say that the former Postmaster General did not realize that the Post Office is a public service, while the new minister appreciates the fact that the Post Office may have deficits but remains a public service. This is why we congratulate him warmly and encourage him to change the orientation of his predecessor's policies so as to give the Post Office Department back to the population whereas before it belonged to one person only, the Postmaster General.

We want the Post Office Department to be the department of the Canadian people and not only that of a minister. We believe that the present minister is the man for the job and he is off to a good start. We hope that in the new year the minister will continue in this right direction.

[*English*]

LABOUR RELATIONS

ANNOUNCEMENT OF SETTLEMENT OF CONTRACT NEGOTIATIONS BETWEEN RAILWAY SHOPCRAFT EMPLOYEES AND EMPLOYERS

Hon. Bryce Mackasey (Minister of Labour): This is not my normal day in the House, Mr. Speaker, but it may be the last occasion before the festive season or before the recess when I can make a statement on motions. I welcome this opportunity to report briefly regarding a matter of interest to all members of the House. It concerns the collective bargaining currently in process between the railways and certain unions representing some of the employees of the railways.

As members are aware, some time ago I announced the appointment of what I described as industry specialists to assist in the process of minimizing industrial unrest and, more particularly, to assist in obtaining collective agreements prior to the expiry date of existing contracts. Hon. members may recall that this approach resulted in an early settlement in the railway industry in 1968.

I am pleased, therefore, to announce that it can be safely stated that the Canadian National Railways and the Canadian Pacific Railway will sign within the hour a memorandum of settlement with unions representing some 20,000 shopcraft employees. This constitutes, if ratified, a settlement ten days before the present contract expires.

• (11:50 a.m.)

In conclusion, I would like, therefore, Mr. Speaker, to pay tribute not only to the representatives of the unions and the companies but also to our industry specialist, Mr. Arthur Gibbons, and my director of conciliation and arbitration, Mr. William Kelly, who have worked very closely with the parties for several weeks. In my opinion, both Mr. Kelly and Mr. Gibbons remind us of the fact that our public servants rank with the best in any country.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I say a word or two in response to the welcome announcement just made by the Minister of Labour. We are glad to learn that a settlement has been reached and that the signing of it is in prospect today between Canadian National Railways and the Canadian Pacific Railway on the one hand and representatives of the shopcraft unions on the other. I have no objection to the minister taking credit for his department for the good job that has been done. It is a good job for the industry and a good job for Canada.

There is just one point I should like to make, Mr. Speaker. If my information is correct, the issue of pensions was not on the table, at least toward the end of these negotiations, and that is probably one of the reasons why it has been possible to reach agreement. I suggest to the minister that as far as the other railway unions are concerned there is a good deal more anxiety over the pension issue and that settlement in those cases may not be possible within the forseeable future.

I therefore urge the minister to do everything that he can on the issue of pensions. In particular I urge that he make available these good offices that he has spoken of, and his own good offices, to his colleague, the Minister of Transport, to get Canadian National Railways to realize that if they would comply with the unanimous wish of this House of Commons concerning pension increases the whole issue would be settled a lot sooner and we would have peace in the railway industry.

This is a terribly important part of the whole railway issue, and it is not good enough for the government not to get involved in it. The Minister of Transport is a good man but he needs help, and I urge the Minister of Labour to give him that help so that this issue can be settled, preferably before Christmas.

* * *

BUSINESS OF THE HOUSE

AGREEMENT RESPECTING DISPOSITION OF BILL C-205

Mr. G. W. Baldwin (Peace River): If I might have leave of the House I would ask whether we might establish the proper relationship between the motion on the order paper in the name of the President of the Privy Council and the disposition of Bill C-205. As I understand it, the House is of the opinion that we should proceed to deal with Bill C-205 both at the report stage and at subsequent stages despite the provisions of the Standing Orders. If that is the view of the President of the Privy Council and other hon. members, possibly the House might make its views plain at this time.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, this is the ambition of the government and if the words of the opposition House Leader could be put in the form of a House order that would be very helpful.

Mr. Stanley Knowles (Winnipeg North Centre): We gave our agreement earlier, Mr. Speaker, and we still stand by it.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): We agree, Mr. Speaker.

[*English*]

Mr. Speaker: Is it so ordered?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

* * *

[*Translation*]

CANADIAN CITIZENSHIP ACT

AMENDMENT RESPECTING MINIMUM RESIDENCE REQUIREMENT

Mr. Marcel Prud'homme (Saint-Denis) moved for leave to introduce Bill C-213, intituled: "An Act to amend the Canadian Citizenship Act (Minimum residence requirement)".

Proposed Legislation

Some hon. Members: Explain.

Mr. Prud'homme: Mr. Speaker, a considerable number of people in Canada would be disposed to participate fully in the life of the country but they are prevented from doing so by the fact that they have not yet been granted Canadian citizenship.

Therefore, this bill is designed to reduce from five to three years the minimum residence requirement for persons applying for Canadian citizenship.

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

* * *

[*English*]

CONSUMPTION DATE OF PACKAGED PERISHABLE FOOD ACT

PROVISION OF LABEL WITH DATE BEYOND WHICH PRODUCT NOT TO BE SOLD

Mr. Barry Mather (Surrey) moved for leave to introduce Bill C-214, respecting packaged perishable food.

Some hon. Members: Explain.

Mr. Mather: Mr. Speaker, the purpose of this bill is to require, to the extent that it may be done under federal authority, that all packaged perishable foods shall bear a label, readily seen and easily understood by the consumer, stating the date after which the food is not to be sold.

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

* * *

JUSTICE AND LEGAL AFFAIRS

REFERENCE OF THIRD ANNUAL REPORT OF DEPARTMENT OF SOLICITOR GENERAL TO STANDING COMMITTEE

Mr. Speaker: I am advised that inadvertently the Government Notice of Motion concerning the referral of the third annual report of the Department of the Solicitor General to the Standing Committee on Justice and Legal Affairs was dropped in the English version of the order paper. The French version carries the notice.

On the order: Government Notices of Motions:

December 16, 1970—The President of the Privy Council:

That the annual report, for the year ended 31st December, 1968, made pursuant to section 30 of the Penitentiary Act, contained in the third annual report of the Department of the Solicitor General, tabled in the House of Commons on November 3, 1969, be referred to the Standing Committee on Justice and Legal Affairs; and

That during its study of the aforementioned report, the committee be empowered to adjourn from place to place in Canada.

Mr. Speaker: Pursuant to section 2 of Standing Order 21, the said Notice of Motion is transferred to and ordered for consideration under government orders at the next sitting of the House.

ORAL QUESTION PERIOD

SCIENCE

SENATE COMMITTEE REPORT—GOVERNMENT ACTION RESPECTING POLICY—MINISTERIAL RESPONSIBILITY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister a question about science policy. In view of the criticism of the science policy of the government by the committee of the Senate on science, following upon criticism by the OECD some time ago, does the government propose to act in the area of developing a coherent science policy or does it propose to await the further volume of the report of the Senate committee on science?

Right Hon. P. E. Trudeau (Prime Minister): Both, Mr. Speaker. We have been acting and of course we will be able to act with even more enlightenment after we have received the final report. I understand it is expected about half-way through next year.

Mr. Stanfield: Since some of the blame for the lack of a coherent and effective science policy is attributed by the Senate committee to the overriding authority of the Treasury Board, does the government intend to act in this connection? Without any offence to the President of the Treasury Board, I should like to know whether the government intends to place this responsibility in another ministry in view of these criticisms?

Mr. Trudeau: Mr. Speaker, this criticism has nothing very original about it. I remember telling the House about two years ago that the reason we had asked the President of the Treasury Board to also look after science, even though we recognized some apparent disadvantages, was that the minister was so able in this matter.

Some hon. Members: Hear, hear!

Mr. Baldwin: He has spent too much time on the Auditor General; that is his trouble.

An hon. Member: Stop smiling, Bud.

Mr. Trudeau: The House will recall that in the Speech from the Throne we indicated our intention of establishing a minister who would be responsible for science. I understand that this is what the Senate science committee report has indicated. I also remind the House that we have in our government organization bill, which the opposition parties are now studying, provisions which will permit us to appoint a minister whose responsibility would be for science.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, since as Senator Lamontagne, the very able

chairman of this committee and a former member of the cabinet, described the carrying out of science policy in this country in these words, "we are last where we should be first, and first where we should be last," will the Prime Minister begin now to take steps to try to rectify this confusion in which the government so often finds itself in following its policies?

Mr. Trudeau: Yes, Mr. Speaker, I think that is a description which would apply very much to the Tory party also.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Hees: Now, Pierre, don't you tease.

Mr. Trudeau: I think, despite that, they may want to help by co-operating with the government in expediting the adoption of the government organization bill, so that we can proceed with this next step.

Mr. Hees: Since the previous Conservative government never encountered problems of this kind but had a cohesive science policy, we would be glad to step across the aisle and help the government.

Some hon. Members: Oh, oh!

CONTRACTING OUT OF RESEARCH PROJECTS TO INDUSTRY

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, may I direct a supplementary question to the President of the Treasury Board who now is the minister responsible for science. Inasmuch as last year industrial scientists complained that the government was not making full use of their services in the development of better manpower policies, will the government now consider the conclusions of the Senate science report, namely, that more research projects ought to be contracted out to industry in order to involve these scientists more fully in Canadian affairs.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think if the hon. gentleman will examine the estimates, he will see that progressively more and more research projects have been contracted out to industry rather than being undertaken in government laboratories. That is part of a continuing policy.

* * *

URANIUM

POSSIBLE JAPANESE FINANCIAL PARTICIPATION IN CONSTRUCTION OF ENRICHMENT PLANT— CANADIAN CONTROL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. Before doing so, I wish to raise a question of privilege affecting the rights of the members of the House. Yesterday, the hon. member for South Western Nova asked the minister if he would make a statement on his discussions in Japan. The minister said that he had not intended to do so but that he would give consideration to that suggestion. The minister then went out and, at a press conference, discussed the very thing that he had not discussed in the House.

Some hon. Members: Shame!

Mr. Douglas (Nanaimo-Cowichan-The Islands): I submit that Members of Parliament ought not to have to depend on fragmentary reports of a press conference appearing in the newspapers in order to know what government policies are.

Mr. Baldwin: They are reports concerning a fragmentary minister.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Nor ought we to have to depend on questions based on these press reports if we are to question the minister intelligently.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): The minister, in the press conference, is quoted as saying that he believes it would be politically and economically wise to have an uranium enriching plant built in Canada with Japanese capital. I wonder if the minister could give us some information as to whether this is to be an enriching plant which will be wholly owned by a Japanese corporation, whether the corporation will be putting up all the equity capital or part of the equity capital, whether there will be any Canadian participation and whether the announcement that the former chairman of the Japanese Atomic Energy Board has given his support indicates—

Mr. Speaker: Order, please. Perhaps the hon. member might like to give the minister an opportunity to reply to the first questions. It seems to me that the question is becoming a little too long.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I will put it to the minister in the simplest possible terms. Will the minister tell us what he envisages to be the kind of program under which Japanese capital would be used to establish an uranium enriching plant in Canada?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, speaking first to the hon. member's question of privilege, I regret very much that I beat him to the television cameras yesterday. I guess it was my day to be swift. Answering his actual question, may I say that no decision has been reached so far. During the course of our Japanese visit, we found that the Japanese reactor and utilities people were very anxious to have a fourth enrichment plant outside the U.S.A. so that they could have another source of supply for enriched uranium. We argued the Canadian case. We said that we had uranium in Canada, that we had low cost hydroelectric power which would be the soundest base for such a plant, that the capital cost of such a plant could not very likely be borne by Canada alone inasmuch as it would cost in the neighbourhood of $1 billion or more, and that

we would welcome Japanese capital in such a venture, if it became feasible. No finite arrangements were made. No definite plan was arrived at. We merely did some selling, if you like, with respect to the Canadian position and the attractive opportunities in Canada in this regard.

Mr. Stanfield: Mr. Speaker, I rise on a question of privilege. It is the same question of privilege that was raised by the Leader of the New Democratic Party. I had hoped that the minister, who I believed entertained a respect for Parliament, would give some reasonable explanation as to why this had happened. I realize that there is nothing any of us can do to prevent a minister from making a statement outside the House that ought to be made inside the House. But I did not think I would live to see the day in Parliament when a minister would dismiss such a thing in such a lighthearted way and indicate that he had rushed as quickly as possible to the television cameras in order to make a statement that he had been asked to make in the House.

Some hon. Members: Shame!

Mr. Stanfield: Although I recognize that there is nothing that I or any other member of the House can do about this, I hope that the members of the government will develop sufficient respect for this institution that they will not be contemptuous of the House in such an obvious and frivolous manner as the minister has just indicated.

Some hon. Members: Hear, hear!

Mr. Greene: Mr. Speaker, speaking to the hon. member's question of privilege and righteous indignation, may I say that I have sufficient respect for the House that I use its time circumspectly.

Some hon. Members: Oh, oh!

Mr. Greene: I do not waste the time of the House. If hon. members opposite would follow this example at times, we could get the business of the House done much more speedily.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I am not sure whether we are progressing very much at this point. I wonder whether the minister might not agree, unless he has a further statement to make in reply to the question of privilege raised initially by the hon. member for Nanaimo-Cowichan-The Islands and later by the Leader of the Opposition, that we return to the question raised originally by the hon. member for Nanaimo-Cowichan-The Islands.

Mr. Bell: The minister's appeal is dismissed.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Inasmuch as the government's policy has generally been understood to be that the control of uranium should stay very closely within the ambit of the government of Canada and the Atomic Energy Control Board, will the minister give the House the assurance that in any proposal for building an uranium enrichment plant in this country, the majority control will remain in the hands of either the Canadian government or the Canadian people and that any equity capital from Japan or elsewhere will be in the minority position or will be in the form of loan capital rather than equity capital?

Mr. Greene: Mr. Speaker, I regret that the Leader of the Opposition has rushed to the television cameras and could not stay to hear the answer to this very important question.

Some hon. Members: Shame!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Hees: On a question of privilege, Mr. Speaker—

Mr. Speaker: Is the hon. member rising on a question of privilege?

Mr. Hees: Mr. Speaker, on a question of privilege, I should like to advise Joe the Joker that the Leader of the Opposition has not gone to the television cameras.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Hees: He has definitely not.

An hon. Member: He has.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Some hon. Members: Cheap, cheap!

Some hon. Members: Withdraw!

Mr. Hees: Withdraw!

Mr. Speaker: Order, please.

Some hon. Members: Withdraw!

Mr. Speaker: Order, please. I suggest that we have already spent a good deal of time on the question raised by the hon. member which has developed into a question of privilege and deteriorated further in the process. I should like to go on now to the next question and return to this one in a short while. I think we are being unfair to the hon. member for Lotbinière who has been waiting for 15 minutes for the opportunity to ask a question. Immediately following his question, I will return to the point raised by the hon. member for Nanaimo-Cowichan-The Islands. Perhaps the atmosphere will clear a bit in the meantime.

* * *

[*Translation*]

LABOUR CONDITIONS

QUEBEC—AVAILABILITY OF EMPLOYMENT FOR CEGEP GRADUATES

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

In view of the fact that over 44,000 CEGEP graduates will be without work when they finish their courses, according to Quebec Labour Department statistics, that unemployment is still increasing in that province, according to a joint news release of the federal Department of Manpower and Immigration and the Dominion Bureau of Statistics, and finally that 42 per cent of the unemployed in Quebec—

Mr. Speaker: Order. The hon. member may not make a speech. He must put a question. If he refers to the Standing Orders, he will see that he is given the floor at this time to put a question and not to enumerate a long list of facts. I therefore invite him to put his question as soon as possible.

Mr. Fortin: Thank you, Mr. Speaker. The more one waits, the more ideas come to his mind.

I would like to ask the right hon. Prime Minister whether, at this moment, the government is studying the particular problem of young unemployed graduates and whether it considers giving direct financial assistance to those young people until they find a job on the labour market?

Mr. Speaker: I am sure the hon. member will recognize, after consideration, that this question was asked yesterday or very few days ago, but in any event, it has been asked and since the time of the House has been monopolized to a certain extent, the House might allow the right hon. Prime Minister to answer.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the member knows that a few weeks ago, the government announced a series of new projects aimed at palliating the unemployment problem in the country. As I had the opportunity to mention it a few days ago, the government does not intend to discriminate between the young and the not so young who are unemployed. We intend to help them all. But since the hon. member particularly stated the case of graduating CEGEP students, it offers me perhaps an opportunity to remind them that the prosperity of the province will depend to a great extent on the possibility of attracting investments and that an atmosphere of violence which many among them advocate is not beneficial.

Some hon. Members: Hear, hear!

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

Since the atmosphere of violence has partly been settled, thanks to the co-operation between the federal and provincial governments, and since the consequences of that crisis has been borne by both of them, have discussions been held to improve the climate and attract investments in Quebec in order to enable young people to find a place within the community and earn their living?

Mr. Trudeau: Mr. Speaker, the answer must be given by the House which is considering a bill which, we hope, will be passed today with the co-operation of the opposition parties and this will specifically have an effect to attract investments in Quebec.

23568—68½

Some hon. Members: Hear, hear!

[*English*]

Mr. Speaker: I suggested a moment ago that we might return to the question raised by the hon. member for Nanaimo-Cowichan-The Islands. I am not sure whether the minister actually replied or attempted to reply.

* * *

URANIUM

POSSIBILITY OF JAPANESE FINANCIAL PARTICIPATION IN CONSTRUCTION OF ENRICHMENT PLANT— CANADIAN CONTROL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I will repeat the question so that the minister will have an opportunity to answer. Having regard to the fact that the policy of the Canadian government has been understood to be that the control of the production and processing of uranium should stay strictly in Canadian hands, particularly under the control of the Atomic Energy Control Board of Canada, can the minister assure us that any uranium enrichment plant will be under Canadian control and that any foreign control will either be in a minority equity position or in the form of loan capital?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I can assure the hon. member that the government has no intention of changing the current rules whereby the export of uranium is subject to the authority and permission of the Atomic Energy Control Board, with the further safeguard of ratification by the government.

In so far as financing is concerned, I think it would be premature and hypothetical to determine how the financing of such a project might be undertaken. In my conversations with the Japanese, I stated that, whatever may be the rules regarding foreign investment in Canada, we would continue to welcome foreign investment on the basis of their investment to date, namely, by minority holdings in Canadian companies and with a preponderance of debt financing by foreign sources rather than equity financing.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I saw the minister's statement to that effect and I welcome it. I am now asking whether the statement with reference to foreign ownership being confined to either a minority position or loan capital will apply with regard to any uranium enrichment plant in Canada in so far as Japanese or other foreign investment is concerned?

Mr. Greene: I do not think that the government has made any decision in this regard. The matter of whether there will be a plant is still hypothetical. I think it would be premature to determine how we should finance it. In my statements to the Japanese in this regard, I was not stating government policy. I stated that, whatever government policy was with regard to foreign investment, and this will be announced shortly, foreign investment was required in Canada on the basis of a minority holding

in Canadian companies and largely by debt investment rather than a majority equity holding, and that this would continue to be favoured by the Canadian government.

Mr. J. M. Forrestall (Dartmouth-Halifax East): In view of the minister's statement that the whole position with respect to the enrichment plant process is still somewhat up in the air, will he assure the House that before a final decision is made on the merits of Canadian financial control, the problem of pollution, and so on, the whole issue will be weighed against the relative merits of developing Minas Basin tidal power?

Mr. Greene: Mr. Speaker, I can assure the hon. member that before any final decisions are made and when there is something specific to announce, it will be done in this House in a proper manner. To date, there is only a possibility and the matter of informing the Japanese that we welcome their suggestions in this regard. At this stage it would not be proper to present anything to the House because there is nothing specific to present. When there is, hon. members may be assured that I will report it to the House.

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AIR CANADA

LAY-OFF OF OTTAWA RESERVATIONS PERSONNEL— TRANSFER OF FACILITIES TO MONTREAL

Hon. George Hees (Prince Edward-Hastings): I wish to direct a question to the Minister of Transport. If the minister has not already done so, will he investigate the lay-off of 50 reservations personnel in Ottawa by Air Canada to ensure that these people are offered alternative employment and are not simply part of a large-scale lay-off plan of Air Canada and Canadian National Railways across Canada? Also, will the minister ensure that the service to the public is not downgraded as a result, since it is most important that first-class service be available in Canada's capital?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, I will be glad to do what the hon. member suggests. I have some preliminary information I can give to the House. I have been advised by Air Canada that this consolidation of reservation services and the like is part of a program policy in effect in other parts of Canada. A minimum of 25 of those who will be affected will be offered alternative employment immediately in, I believe, the Montreal centre where this will be carried out. Since the whole scheme will not take effect until October of next year, it is anticipated that by that time some of the employees will have left through the normal attrition process. Other employees will be offered employment in other parts of the country. Their usual travelling and moving expenses will be covered.

Mr. Hees: Did the Prime Minister notice the first-class manner in which the minister answered the question and will he take that as an example for the future?

[Mr. Greene.]

Mr. Speaker: Order, please.

Mr. David Lewis (York South): Mr. Speaker, I ask the well-answering minister whether he was consulted regarding this decision by Air Canada to transfer telephone reservation facilities from Ottawa to Montreal, whether those consultations were with regard to the whole plan of the airline, and whether the minister approves of that plan?

Mr. Jamieson: I think the hon. member knows as well as any hon. member in the House that in terms of this type of management I am not consulted. I have, of course, had conversations with the management of Air Canada with regard to their general management plans for the immediate future. It was in this context that the question of centralizing the reservation process was discussed. It is, in fact, becoming a common practice now not only in Canada but throughout the world.

Mr. Lewis: May I ask the minister to be good enough to look into this decision by Air Canada, since not only jobs are involved but also service to the public in the capital of the country, and undertake to make a statement to the House on motions when we reconvene in the new year informing hon. members why this decision has been made by the airline?

Mr. Jamieson: I am not certain that the residents of the capital city, important as it is, are any more important than the residents in any other part of the country—

Mr. Speaker: Order. Perhaps the minister would reply to the question as quickly as possible. Hon. members will notice that we have not been moving very rapidly this morning and there are only a few minutes left before the end of the question period. I hope there will not be too many supplementaries from now on.

Mr. Jamieson: I will answer briefly, Mr. Speaker. The whole objective is an improvement in efficiency; it is a matter of giving better service. But I shall be glad to consider the hon. member's suggestion and see what I can do.

Mr. Mac T. McCutcheon (Lambton-Kent): Bearing in mind that booking services will be centralized many miles away from flight origins, will there be an improvement in meteorological forecasting such as this proposal would necessitate?

* * *

CANADIAN FILM DEVELOPMENT CORPORATION

APPOINTMENT OF IVAN RITMAN TO BOARD

Mr. J. B. Morison (Halton-Wentworth): I have a question for the Acting Secretary of State. Would he be good enough to ask the minister whether he knew, when he appointed Ivan Ritman to the Canadian Film Development Board, that Mr. Ritman had been convicted last June of possessing, printing, making and publishing an obscene film?

Some hon. Members: Oh, oh!

WATER RESOURCES

MACKENZIE RIVER SYSTEM—ALLOCATION OF USE—SUGGESTED MEETING WITH PROVINCIAL GOVERNMENTS AND REFERENCE TO STANDING COMMITTEE

Mr. G. W. Baldwin (Peace River): I have a question for the Minister of Indian Affairs and Northern Development. Notice was taken by his Parliamentary Secretary of the question I asked last Wednesday, which involved several departments, but since the minister was in Yellowknife recently, and knows the facts, I am putting it to him. Will the minister assure the House that he will immediately convene a meeting with the governments of Alberta, British Columbia and Saskatchewan to deal with the use of the waters of the entire Mackenzie River system, having in mind the imminent danger which threatens and the fact that by next spring the need to allocate the use of these waters will arise? Will the minister tell us whether he is now willing to have this question referred to a standing committee for discussion some time in the new year, as I have suggested to him?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, my colleague the Minister of Fisheries and Forestry and myself met last week with ministers from Alberta, and I know that my colleague has had talks with ministers from British Columbia. We are dealing actively with that problem but I wish to draw the attention of the hon. member to the fact that if the former government had been a little more careful—

[*English*]

Mr. Baldwin: On a question of privilege, Mr. Speaker, I asked a legitimate, reasonable question and I would appreciate an answer.

An hon. Member: You got a pretty good answer, too.

Mr. Baldwin: Is the government prepared to refer this matter to a committee, or it is afraid to do so?

* * *

TRADE

SEMINAR ON DEVELOPMENT OF MARKETS IN UNITED STATES FOR ATLANTIC PROVINCES' PRODUCTS

Mr. Robert C. Coates (Cumberland-Colchester North): I should like to ask the Minister of Industry, Trade and Commerce whether he is in a position to answer the question I put to him last week regarding the establishment of a business seminar in the Atlantic provinces to assist industry to develop greater markets in the United States.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I am writing the hon. member giving him a list of seminars, conferences and meetings of all kinds in the Maritimes in which my department has taken part in the last two years. This policy is a permanent one. I shall be studying, with the Minister of Regional Economic

Expansion and with my department's regional officers the need for the type of seminar the hon. member suggests, and if it appears desirable to do so we shall be delighted to take part.

Mr. Coates: Would the minister be willing to participate himself in an effective way in such a seminar in the Atlantic provinces?

Mr. Pepin: I should be delighted to receive an invitation.

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SHIPPING

STATIONING OF SEARCH AND RESCUE VESSEL IN SYDNEY AREA

Mr. Robert Muir (Cape Breton-The Sydneys): My question is directed to the Minister of Transport, Mr. Speaker. Is the minister in a position to inform me of the latest developments in response to the urgent necessity for a search and rescue vessel being stationed in Sydney Harbour or its vicinity?

Hon. Donald C. Jamieson (Minister of Transport): I am delighted to be able to tell the hon. member that the coastguard vessel *Wood* is now being renovated and crewed, and as soon as she has been fully equipped she will be placed in the search and rescue service in the general area of the gulf. The matter of where she will be stationed will be determined after we have decided where the vessel can best be employed, but she will be stationed wherever it is demonstrated it is best for her to be.

Mr. Muir: Is the minister aware that thousands of men who go to sea, as well as their families, have been waiting for this announcement for a long time? Is he also aware that his two predecessors ignored the pleas put forward by myself—

Mr. Speaker: Order, please.

Mr. Muir: May I pose my question?

Mr. Speaker: I drew attention a few moments ago to the fact that we shall be running out of time in a short while. However, I will allow a supplementary to the hon. member.

Mr. Muir: May I ask the minister if I may, on behalf of all those concerned, thank and commend him and wish him and his family the happiest Christmas ever?

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AIRPORTS

TORONTO—OPTIONS ON SITES FOR NEW FACILITY

Mr. S. Perry Ryan (Spadina): My question, too, is directed to the Minister of Transport. It has to do with the new site for the Toronto area airport. Have the minister's department and the provincial authorities yet

arrived at a formula for obtaining options on the four sites which are particularly under consideration?

Hon. Donald C. Jamieson (Minister of Transport): Meetings between representatives of the two governments and the officials took place yesterday or the day before. I am not sure how much progress was made; they have not reported to me as yet. But I am hopeful they will do so within the next day or two.

* * *

HOUSING

MONTREAL—EFFECTS OF PROPOSED EXPRESSWAY—REPLACEMENT BY UNDERGROUND PROJECT

Mr. Andrew Brewin (Greenwood): Earlier in the week, Mr. Speaker, I addressed a question to the acting minister in charge of housing. I now direct it to the minister himself in the light of the statement made by the Secretary of State that the project for an expressway in Montreal, which would butcher residential districts and demolish some 2,000 houses, should be replaced by an alternative scheme to provide for an underground expressway. Will the minister undertake to look into this matter and explore what action might be taken by the federal government to encourage the one project and discourage the other?

Hon. Robert K. Andras (Minister without Portfolio): Any decision with regard to an expressway would, of course, be the prerogative of the government of the Province of Quebec. However, we are extremely conscious of the need for housing in Montreal. In fact, we have invested, in greater Montreal through the Central Mortgage and Housing Corporation, some $150 million during the past year to produce about 12,000 lower income housing units there. I shall be discussing this matter with my counterpart in the Province of Quebec, but I would not venture to make any further comment about the expressway at this time.

Mr. Brewin: Would the minister consider discussing with his government colleagues the possibility of providing some incentive for constructing an underground expressway which would not result in the demolition of housing, rather than the present plan?

Mr. Speaker: Order, please.

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UNEMPLOYMENT INSURANCE

DISCONTINUANCE OF SUPPLEMENTARY COMPANY PAYMENTS FOLLOWING INCREASE IN BENEFITS

Mr. Norman A. Cafik (Ontario): Mr. Speaker, my question is for the Minister of Labour, but in view of his absence I will direct it to his Parliamentary Secretary. Is it the intention of the Department of Labour to permit companies providing supplementary unemployment insurance benefits to take advantage of increases in unemployment insurance benefits to reduce the company's contributions?

[Mr. Ryan.]

Mr. Speaker: Order. The question as asked contains allegations, but perhaps the Parliamentary Secretary might give a quick answer to the question.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): Mr. Speaker, in the opinion of the Minister of Labour it should not be the intention of any companies providing supplementary unemployment insurance benefits, including Devco, to take advantage of the increase in unemployment insurance benefits to reduce company contributions. Regulations will be introduced that will specify in general terms—

Mr. Speaker: Order, please. The hon. member is now making a statement.

* * *

HOUSING

PROVISION OF REASONABLE RENTAL ACCOMMODATION FOR ARMED FORCES PERSONNEL

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to address a question to the Minister of National Defence which is a follow-up to a question I asked his colleague the Minister without Portfolio responsible for Housing on December 4. May I ask whether the minister has had time to explore ways by which, hopefully, more economic housing might be provided members of the armed forces serving in posts where married quarters are not available?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, I should like to thank my hon. friend for notice of his question. In response to his specific question of December 4, may I say we have had extensive discussions with CMHC in this regard, but because an essentially federal agency is involved none of the $40 million will be made available at the federal level; it will all be made available to the provincial governments.

Having said that, however, we are very concerned with the impact of high rents on members of the armed forces, particularly in some of the larger metropolitan centres. We have been having extensive discussions with housing authorities with regard to the possibility of trying to alleviate this problem. At the moment, I am afraid I have nothing very promising to indicate either to the hon. member or to the members of the armed forces.

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CANADIAN NATIONAL RAILWAYS

PAYMENT OF MINIMUM WAGE TO HOTEL EMPLOYEES

Mr. James A. McGrath (St. John's East): Mr. Speaker, since this is probably, and hopefully, the last day before the Christmas recess, may I take advantage of this occasion to ask the Parliamentary Secretary to the Minister of Labour whether there is any change in the status of CN hotel employees in relation to the federal minimum wage law. My question is prompted by the fact that there are a number of unions in the process of negotiat-

ing a new contract for employees of CN hotels and the results of those negotiations will be dependent on the attitude of the government in regard to this matter.

Might I also be permitted to add a final part to my question? May I ask the Parliamentary Secretary whether there are any CN hotels in Canada at the moment that are honouring the minimum wage laws of this parliament?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): Mr. Speaker, in view of the settlement arrived at with the Chateau Laurier hotel in Ottawa the other day, there is hope that the general problem may be resolved in the near future.

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ST. LAWRENCE SEAWAY

EXTENSION OF NAVIGATION SEASON—UNDISTURBED ICE AROUND POWER INSTALLATIONS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Transport concerning the importance of the seaway to the economic well-being of the country, and particularly the port of Hamilton. In light of the expressed need for an extension of the seaway season from 8½ to 10 months or more, is the minister taking into consideration the problem that exists with hydro officials who have indicated they require to have undisturbed ice around their turbines? Has the minister anything to report in this regard?

Hon. Donald C. Jamieson (Minister of Transport): No, Mr. Speaker, nothing specific. We are aware of the problem. It is another example of the inherent difficulty of trying to keep the system open for the longest possible time. This does create problems for other interests. We are doing our best to resolve the problem, but beyond that there is nothing more that I can say.

Mr. Alexander: May I ask one short supplementary question, Mr. Speaker. I thank the minister for his answer, but can he give the House any indication when the Carr report will be made available, since this report may help to alleviate the situation by providing solutions?

Mr. Jamieson: I have not read the complete Carr report but I do not recall a chapter heading having to do with undisturbed ice. However, I think some of my Christmas reading will include finishing reading the report with a view to publicizing it, or those parts of it which are of public interest, as soon as possible.

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CANADIAN NATIONAL RAILWAYS

TORONTO-WINNIPEG AND OTTAWA-MONTREAL PASSENGER SERVICE REDUCTIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct my question to the Minister of Transport. In view of the protests that I am sure he, as well as other hon. members, have received about the CNR's proposal to discontinue their Panorama transcontinental train service from Toronto to Winnipeg, has the minister discussed this downgrading of passenger service with the CNR?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker. This, of course, is another of the notifications given by both railways with respect to passenger service. However, as the House and I am sure the hon. member know, this matter is now before the CTC. I am not sure whether this particular matter is the subject of an actual hearing at the moment, but certainly the whole question is. It is my judgment that the normal procedures should be allowed to prevail. In the event that the people do not like the judgment, there is machinery for appeal and it is at that point—

Mr. Speaker: Order, please.

Mr. Orlikow: A supplementary question.

Mr. Speaker: I bring to the attention of hon. members that the question period has expired at this point. The question is whether we should allow supplementaries to the question that is now before the House.

Some hon. Members: Agreed.

Mr. Orlikow: Mr. Speaker, in view of the announcement of CNR that it intends to downgrade the service between Ottawa and Montreal, which is certainly well travelled, is the minister discussing with the CNR their whole policy on passenger service, which seems to be moving very quickly in the direction of the policy earlier adopted by the CPR?

Mr. Jamieson: Mr. Speaker, on the matter of specific routes, as the hon. member knows I am bound to a great extent by the National Transportation Act, which provides that in so far as individual services are concerned they must be adequate for the traffic offered. The CN's position, as I understand it, is that their proposed schedule is adequate for that purpose. There are grounds and means through which that kind of assertion can be appealed. However, on the broader question, may I say I have talked with officials of CN and I think it is quite important that there be adequate passenger service within a framework that is consistent with traffic offering. May I assure the hon. member that I shall be watching the situation.

Mr. Speaker: Order, please.

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[*Translation*]

TRANSPORT

ST. JOHN, N.B.—MEASURES TO ASSURE SURVIVAL OF POTATO EXPORT INDUSTRY

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): Mr. Speaker, I would like to put a question to the Minister of Transport.

Inquiries of the Ministry

In view of the many questions and representations from hon. members from New Brunswick and Prince Edward Island could the minister tell the House whether the railway companies have accepted to be more concerned about the welfare and survival of the export potato industry as far as the harbour at St. John is concerned?

[*English*]

Mr. Speaker: Order, please. I appreciate that the question is urgent, but I am sure it is not supplementary to the previous question. However, the question having been asked perhaps the minister might reply to it.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have been in touch with the railway with regard to the whole question of the new rates for export shipments of potatoes. I have been told by Mr. MacDougall of the railway as of this morning that further talks are taking place. There appears to have been some misunderstanding—I am not altogether sure whether on the part of the shippers or on the part of the railway—particularly with regard to the charge for the retention of cars, which appears to be the most difficult part of the problem. The indication that I have had, and I do not want to be too hopeful, is that some amicable solution can be reached within a very short time.

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SHIPPING

PROVISION OF WEATHER DATA TO FISHING VESSELS—FREQUENCY OF BROADCASTS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is a supplementary or related question to the one asked the Minister of Transport a moment ago by the hon. member for The Sydneys. The question is urgent in that it is generally conceded that officials within the minister's department are—

Mr. Speaker: Order. Would the hon. member put his question.

Mr. Crouse: Mr. Speaker, I must give a bit of background. The officials are doing a first-rate job in assisting in gathering weather data. However, from complaints received from fishermen, especially at this time of year, it has become obvious that this weather data is not getting through to the fishermen. Would the minister undertake to make a study to ascertain whether the manner of projecting weather forecasts can be improved upon, and would the minister endeavour to increase the frequency of broadcasts of weather forecasts which are so beneficial to our fishermen?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, I will be glad to do that.

[Mr. Corbin.]

BUSINESS OF THE HOUSE

ITEMS FOLLOWING CHRISTMAS RECESS

Mr. Marshall: Mr. Speaker, I should like to ask the President of the Privy Council what business will come before the House after the recess and will he assure us that the second reading of veterans' pension legislation will be done of the first items?

Mr. MacEachen: Mr. Speaker, I will indicate to the hon. member now that the veterans' legislation will be one of the early items to be called. I could indicate a number of other items that will be called early, including crop insurance legislation, the trade agreement between Canada and New Zealand, the export development legislation and the Yukon Minerals and Northern Power Corporation.

Mr. Baldwin: What about the budget?

Mr. MacEachen: I will keep in mind the suggestion of my hon. friend and also the suggestion in respect of the budget. I am not certain which day it will be called but it will be called early.

Mr. McGrath: What about Beaupré?

GOVERNMENT ORDERS

REGIONAL DEVELOPMENT INCENTIVES ACT

PROVISION OF SPECIAL DEVELOPMENT INCENTIVE, LOAN GUARANTEE, ETC.

The House proceeded to the consideration of Bill C-205, to amend the Regional Development Incentives Act, as reported (with amendments) from the Standing Committee on Regional Development.

Mr. John Burton (Regina East): I move:

That Bill C-205, to amend the Regional Development Incentives Act, be amended in Clause 3 by adding to subsection 4 of section 5 the following:

provided however that any incentive shall be granted only after the applicant has provided the Crown or its designated agency with such number of shares in the application firm that the Minister considers to be equivalent in value to the incentive except that where the amount of the incentive is less than one million dollars the Minister may grant an exemption to this provision.

When Bill C-205 was presented to the House for second reading, Mr. Speaker, members of this party agreed to second reading of the bill in order that its provisions and its implications could be studied further in the committee. We agreed also because we were anxious to help in any way in order that the regional development program could be extended or used usefully in dealing with some of the problems facing Canada. At that time we made it quite clear that we felt the provisions of the bill were inadequate in terms of fulfilling the objectives of it as stated by the minister and the government.

We also had serious misgivings about the bill because we felt it jeopardized the principles of a regional development program, and that in fact it might create some serious problems for the future of such programs. Now that we have gone through the committee stage and have had a chance to question the minister as well as hear witnesses who are experts in the field of regional development, we have to say that this is poor legislation. I suggest that the bill before us at the present time will emasculate the regional development program.

At the committee we heard from the minister and the deputy minister regarding this bill. They did not present an opening statement, they simply said they would answer any questions we had. That is a rather unusual procedure, one which I find is becoming too common on the part of the Minister of Regional Economic Expansion (Mr. Marchand). The minister and the deputy minister simply took the attitude: We are alright, Jack; everything is fine. Just leave it to us and we will see that everything is fixed up.

This was not good enough, Mr. Speaker, and we heard from a number of witnesses. We heard from representatives of the Atlantic Provinces Economic Council and the Canadian Council of Rural Development. We heard from Professor Tom Brewis, probably the outstanding authority on regional development programs and policies in Canada. This witness made it quite clear that this bill would scuttle the regional development program. Every one of the witness presented serious criticisms of Bill C-205; and this is a very serious matter, all of them expressed a growing disillusionment with the government's regional development programs as they have been brought forward to the present time.

Then, we heard from the minister and the deputy minister again but they had the same approach. We had to pry information from them. They refused to prepare a considered reply to the representations that had been made by the various expert witnesses who came before the committee. At one point the Minister of Regional Economic Expansion tried to slough off some of the evidence that had been presented by indicating that these were just words of a professor, why should we worry about them? I think it is a very serious matter when the minister refuses to give serious consideration to the points of criticism presented not only by members of the House and members of the Regional Development Committee, but also by some of the expert witnesses who appeared before that committee.

As a matter of fact, the minister and the deputy did not even consider it important enough to have a person there to monitor the evidence presented by the witnesses. They were not in position to reply to some of the points raised earlier in the evidence. I should state that the Parliamentary Secretary to the minister was present. He was very attentive and took part in the proceedings. I was pleased with that part of the performance at least. The minister and the deputy were not in a position to adequately answer the points presented to members of the committee. They were not in a position to adequately answer the criticisms and questions put forward by members when they came before the committee the second time.

Consequently, we moved a number of amendments at the committee stage of the proceedings. Most of them were designed to make the best possible bill out of a poor piece of legislation. We at least tried to make it more workable by giving the legislation before us some focus and direction in order that it might be based on some sort of sound principles of regional development. All of these amendments were summarily rejected by the Liberal majority on the committee. I suggest one reason they rejected them all is that most of those members were absent for the testimony of the witnesses. They did not consider the evidence important enough to stay and hear it being presented by representatives of the Atlantic Provinces Economic Council, the Canadian Council of Rural Development and Professor Brewis. Most of them attended only when they thought their presence was needed to rubberstamp the government's legislation. When amendments were moved by opposition members they would say "no" before the amendments were even read.

Mr. McBride: That is not a fair comment.

Mr. Burton: That is true, and the hon. member knows it.

Mr. McBride: It is not.

Mr. Burton: The hon. member was one of those who took part in the proceedings and he knows very well that is true. The only thing he could do was make noise, such as he is making right now. I suggest the performance of most of the Liberal members of this committee was disgraceful. They performed a poor service for their constituents and the people of Canada in the way they conducted themselves during the committee proceedings this week.

Today, we are moving one amendment which would make a major difference to this legislation. It would change the direction of the government's programs and the direction in which it is trying to take this legislation with Bill C-205. The amendment which has just been presented to the House provides for public equity in undertakings where there is substantial assistance provided by the people of Canada for new developments.

• (12:50 p.m.)

The amendment which has been moved contemplates a Canada Development Corporation. The government said it would introduce this legislation at this session. When it will come forward is difficult to say at the present time. The government has given no indication. Possibly it will be one of the never-never things for which this government has become rather well known. "Never-never" certainly can be applied to its policies in respect of a Canada Development Corporation. The amendment before us, together with other complementary developments such as the formation of the Canada Development Corporation, would assist in planning a comprehensive

approach to regional development. It would also stop the give-aways to large corporations which I suggest is one serious feature in respect of the government's programs as we have them at the present time. It would assist in the process of helping to regain control over the Canadian economy. We must start now and not wait for some mañana which may never come. I think it is clear that the government's regional development program is getting into a worse morass every day. This legislation will be the final blow and that is the reason we believe it must be given very close scrutiny and study by the House. It will destroy the program as a regional development program.

As I indicated at second reading, we were prepared to give further consideration to the bill in committee. We were particularly sympathetic to the proposition, which was the government's contention, that this legislation was a key portion of the government's program for Quebec in dealing with problems with which all hon. members are familiar. In the committee we found that it will do nothing of the sort. Every witness pointed out that this program will not be of immediate help to Montreal and other areas of Quebec. We also pointed out that regional economic programs are no substitute for an effective national economic policy. Every witness before the committee pointed out that there is a considerable time lag in the program between its commencement and the implementation and impact of it. It must be considered as a long-run program. This is borne out by the evidence that up to this week only $3.4 million in incentives have been paid out. Let us contrast that with the total amount of offers which had been made under the Regional Development Incentives Act to the end of October, the latest month for which I have a compilation available. Up to October 31, offers had been made under the Regional Development Incentives Act of approximately $102 million. The figure to the end of November of course would be somewhat higher. But only $3.4 million has actually been paid out.

I acknowledge of course that as a result of some of the offers which have been made, but which have not yet been paid out, some work is under way. Certainly, that is an obvious fact. The basic point remains, however, that there is a significant and important time lag in these programs. They must be considered on a longer run basis and as long-run programs. The minister admitted that this legislation would do nothing for Montreal and Quebec this winter. He has admitted that we might as well write off this program in terms of it having any impact during the current winter. I suggest that the minister has performed a disservice to his own province by some of the statements he made before the committee. I think all of us will acknowledge the problems which exist in Quebec, as well as the various problems which exist in other parts of Canada. But the minister seems to have developed a habit of making very strong statements in order to back up his very weak arguments. I think we have had several examples of this over the past few months. It would seem that we have had a further example in some of the statements made by the minister before the committee in which he tried to paint a very drastic picture of the situation in Quebec and thereby once again exaggerate the problem.

I believe it has been properly said that the finance minister of Quebec could not let these comments pass, even though he is a colleague of the minister in political terms. I should like to quote from the Montreal *Gazette* of December 16. This is an article headed "Marchand exaggerated—Garneau". The article reads as follows:

> Finance Minister Raymond Garneau said yesterday he disagrees with a suggestion by Jean Marchand, federal minister of regional economic expansion, that Quebec's economy is likely to collapse if investment in Montreal does not improve drastically in the next three years.
>
> Mr. Garneau told a news conference he is happy with the federal government's decision to make the Montreal region eligible for economic incentives, but said Mr. Marchand exaggerated when he predicted the province's economy could collapse.
>
> The federal minister made his comments Monday during a meeting of the Commons regional expansion committee examining proposed amendments to the Regional Development Incentives Act.
>
> The amendments would make the Montreal area eligible for a special incentives program until Dec. 31, 1973.
>
> "If nothing happens before 1973 I don't know what problem we would have left to solve," Mr. Marchand said.

The minister seems to get into a regular flap over various matters. First it was over FRAP—

The Acting Speaker (Mr. Laniel): Order. It being one o'clock I do now leave the Chair. The House will meet again at two o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Burton: When one o'clock was called I was making reference to the regular flaps that the Minister of Regional Economic Expansion (Mr. Marchand) seems to get into, his most recent one being with respect to this bill. He seems to be in a panic to do something, to do anything, it would seem, to try to find something that would at least appear to be a solution to some of the problems that he and others have allowed to develop for some time. So, he insists on rushing this legislation through the House at the last minute, legislation which is admitted by all parties in the House to be very important.

I would like to draw to the attention of the minister some of his previous statements when the Regional Development Incentives Act was originally introduced in the House. He indicated at that time that this bill had to be rushed through, the government needed it right away. But then he agreed we must never do this sort of thing again. Now, we are on the same old merry-go-round again.

I should like to examine the amendment which I moved on behalf of the New Democratic Party in relation

to the bill before us. I think it must be examined in the light of the operation of the program which is being carried out under the authority of the Regional Development Incentives Act. The first major objection to the bill is that it is being used to accomplish national economic objectives, something for which the program and the legislation were never designed. This was expressed very lucidly by Professor Brewis when he appeared before the committee. Professor Brewis pointed out to the Regional Development Committee at its meeting last Tuesday:

> The bill leaves me with a feeling of considerable uneasiness, and as I have listened to the discussion today, I must say that my uneasiness has increased. The bill introduces what seems to be a major reorientation of policy in the direction of measures to reduce cyclical unemployment rather than measures to improve the long run economic potential of the less favoured regions of the country.

Then, he went on to say that he wanted to remind the minister of what the latter said in a speech in Halifax in October of 1968. This is what the minister had to say on that occasion:

> I believe that in our business, the sensible effective action will be found in the middle area between short run expedience and vague long run plans.

The minister then suggested that 15 years was a reasonable time horizon on which to do the planning. He emphasized that his first principle was as follows:

> We will not offer short run expediency or long run vagueness. Measures must not be selected just because they catch up problems for the moment.

Then, Professor Brewis went on to comment:

> I think it is a great pity that the minister did not stick to his guns.

When Professor Brewis appeared before the committee he had some other relevant comments to make with regard to this particular point. He said that the nature of the incentives is not such as to ameliorate significantly the lot of the unemployed in the short run, and from past experience it seems more likely to benefit a large number of companies. Professor Brewis said that with regard to the short run, in his budget speech, the Minister of Finance (Mr. Benson) speaking of important amendments to the Regional Development Incentives Act, said:

> It is also very difficult to predict the volume of investment likely to be effective or the probable cost of the incentives. Judging from experience with the program to date, the Department of Regional Economic Expansion foresees a total increase in outlays because of the new program amounting to about $130 million over the period of the next few years.

• (2.10 p.m.)

That is the end of the quotation from the budget speech of the Minister of Finance. Professor Brewis went on to say:

> If we take Mr. Benson's figure of $130 million and assume in the light of past experience (according to DREE estimates) that $5,000 of incentives creates one job then these incentives may create 25,000-30,000 jobs. Since there are currently between 600,-000 and 700,000 unemployed, this will result in one man out of 20 getting a job. For this marginal result a massive change in the DREE legislation is envisaged.

Mr. McGrath: Mr. Speaker, I wonder—

Mr. Deputy Speaker: Is the hon. member rising on a point of order?

Mr. McGrath: Perhaps a point of order or perhaps the hon. member would permit me to interrupt to ask when he expects to get into the substance of the amendment, about which we are very anxious to hear.

Mr. Deputy Speaker: I would take this to be in the nature of a point of order. I know that the preamble is a bit long and I think at this stage of the proceedings we should try to stay as close as we can to the issue. I know that the hon. member's remaining remarks will be germane to the rather narrow confines of the amendment.

Mr. Burton: Mr. Speaker, I appreciate the point of order that has been raised. I was trying to set out some of our reasons for moving this amendment; why we feel the government's purpose in implementing this legislation has been inadequate and, thus outline our reasons for introducing the amendment now before the House.

I could quote from other references made by Professor Brewis. One points out that the special incentives are of short duration and that this will not be of very much benefit in the long run. He went on to state:

> The job facing the department to effect the long-run economic structural changes which are necessary in the lagging regions is big enough and complicated enough without saddling the department with additional and largely unrelated responsibilities. There are other and more effective ways of reducing local unemployment than paying subsidies to industry.

When Professor Brewis appeared before the committee he gave a number of examples of what could be done more effectively in the short run to deal with the very serious economic problems facing some parts of Canada.

Mr. Deputy Speaker: Order. I regret very much to interrupt the hon. member. As I indicated on the point of order, and I say this very respectfully, I think the hon. member is making the type of speech that would be entirely in order on second reading or on clause 1 in the committee stage. I feel that at the report stage we should confine debate to the particular motion before the House, and I should like to ask the hon. member to come to the amendment as quickly as he can.

Mr. Burton: Mr. Speaker, I shall certainly keep your suggestion and request in mind as I deal with the amendment that is before the House. This amendment would make a very fundamental and important change in the direction of the regional development program. It is our view that it would save such programs from being destroyed, as we feel they are being destroyed at the present time.

This brings me to the next point. I feel the regional development programs are being destroyed because they will not help the new areas in Canada—

Mr. Marchand (Langelier): What about the amendment?

Mr. Burton: —to deal with their economic problems. It should be made clear, Mr. Speaker, that these areas could be designated without the legislation presently before us.

Witnesses appearing before the committee pointed out that simply adding 10 per cent of capital costs and $2,000 per job to the present incentive levels in the Atlantic provinces would not help those regions of Canada in their economic development. It was also pointed out that only about four grants have been provided up to the maximum levels at the present time. It seems to me, and this was noted in some of the evidence before the committee, that simply to add to the ante in terms of the incentive levels for the Atlantic provinces will create new problems which have not been encountered before.

It was quite clear during the consideration of this bill that the growth centre concept was in disarray—

Mr. Deputy Speaker: Order, please. I may ask the hon. member, and this is the third time I have asked, to deal with the amendment. It might be helpful to the hon. member and others if I were to read the motion and to indicate, as I have on two occasions already, that the amendment is on a rather narrow point.

The motion reads:

That Bill C-205, an act to amend—by adding—the following:

"provided however that any incentive shall be granted only after the applicant has provided the Crown or its designated agency with such number of shares in the application firm that the minister considers to be equivalent in value to the incentive except that where the amount—"

With very great respect I say to the hon. member that he should, and under our rules I think he must, direct his remarks to the point of the ministry or agency requiring that shares be given to it where a grant is given to a company. The Chair wants to be extremely fair, but the hon. member has used more than half of his allotted time without dealing with the amendment so the remainder of his speech should be confined to the amendment before the House.

Mr. Burton: Mr. Speaker, I think I can assure you that my remaining remarks will be pertinent to the amendment before the House. I wish to deal with the growth centre concept and to relate this to the amendment. We are calling for a degree of public participation in regional development incentives programs and feel that the public should be provided with a share of the companies being assisted through those programs. In this regard, it is very important to note that the government's original concept, which it developed in this program for growth centres, is in disarray. The adoption of this amendment would help to give the program some better direction and focus. The minister has stated that the special areas had provided some element of growth centres, but nevertheless he hedged and did not want to become too specific.

If we are to develop a growth centre concept and follow it through, Mr. Speaker, it seems to me that rather than undertaking programs on an ad hoc basis where you simply consider applications from a widespread area which has been designated by regulation as authorized under the legislation, the government could help to give some better directions to its programs and some better focussing on this important matter.

This point was stressed by witnesses before the committee, particularly those from the Atlantic provinces Economic Council, who showed that there was considerable confusion in the government's programs. They did not know whether the growth centre concept was being followed and whether it was still one of the objectives of the department. They pointed out the number of problems developing within the Atlantic provinces as a result of the present pattern of dispersal of grants.

Mr. Deputy Speaker: Order, please. I do not want to be unfair to the hon. member and to ensure that I am not I invite him to indicate to the Chair the relevance between his remarks and the amendment the House is considering.

Mr. Burton: Mr. Speaker, I am suggesting it is quite relevant to follow the growth centre concept in the department's proposals, and to involve the public and the government in by requiring that the government receive a portion of the ownership of these companies. It is hoped that when companies receive these grants, they will help to carry through the objectives of the department, objectives which it has stated in the past. There is some confusion at present as to whether these companies are fulfilling these objectives.

• (2:20 p.m.)

I should like to pass on to the next point that I wanted to raise, which I feel is the most important one in connection with the amendment before the House. This point relates to the government's reliance on private enterprise and its large giveaways to corporations. This I feel is one of the most damning features of the government's implementation and administration of this act, and it is one of the major reasons why we have introduced this amendment. A large proportion of the funds which are being committed by this department are in the form of large giveaways to corporations. In the cases where this is simply a giveaway grant, in which there is for a limited period control over the firm receiving the grant, the grant becomes ineffective in terms of the public control of the investment after that time. This matter is too important to be simply left in the hands of private enterprise. The entire development of our regional development program is too important for that. We simply cannot leave it in the hands of private enterprise. Because of the very nature of the problem and the very nature of the solutions, we cannot leave it to private enterprise.

Our regional development problems and regional disparities in Canada stem from the fact that we have allowed so much of our development to take place in the past as a result of a form of giveaways. We have allowed private enterprise to do whatever it wanted, regardless of whether it met the needs of the people of Canada or whether its actions benefited the people of Canada. The size of this program is illustrated by the pattern of grants

which have been made by the federal government or which at least have been committed by the federal government at the present time.

I have an analysis before me of grants which were committed by the Department of Regional Economic Expansion under this act up to the end of September. The analysis shows that the ten largest grants totalled some $48,750,000, out of a total for all grants of $83,168,000. This means that 58.6 per cent of those grants totalled $1 million or over. That is the dividing line provided in the amendment I have moved, Mr. Speaker. It proposes that there be a public sharing in any grant of $1 million or over. These ten companies, as a result of these grants, will provide some 3,309 new jobs out of a total of 14,015 which it is stated will be created by the end of September. That is 23.6 per cent of the jobs which it is suggested will be so created. And that percentage of jobs will result from 58.6 per cent of the grants. These ten companies include Sydney Steel, which is a public corporation, Ecstall Mining IBM, Control Data, McCain Foods, Becancourt Glass, F.W. Pine, C.I.P. Homekakers, T.S. Simms & Company and Askland Chemicals. It will be noted, of course, that Sydney Steel is, as I have mentioned, a public corporation, and that therefore it should be and could be quite validly excluded from this particular pattern. I have done this as well.

If the figures concerning Sydney Steel are excluded, it will be shown that the nine remaining companies will receive about $32,866,000 in grants, or 48.8 per cent of the commitments for grants made to the end of September, the total being $67,284,000. Compare that with the 23.6 per cent of employment out of the total employment to be created through this program, and it will still be shown that there is quite a vast disparity.

These grants are being provided to large corporations; in some cases, they are foreign-owned corporations as well. We feel that the programs could be much better directed if a share in the ownership of these plants were vested in the Crown. I think it should be noted as well that this amendment contemplates the creation of the Canada Development Corporation.

It will be noted from the wording of my amendment that I suggest that the shares in any such enterprise should be vested either in the Crown or its designated agency. Without naming that agency in the amendment, we had it in our minds that the Canada Development Corporation could be and should be that agency.

It seems to me that one of the criticisms of this program is this: there has been an ad hoc pattern of development that has come about simply through the process of responding to applications from firms located in widely spread out designated areas and allowing those firms to decide, on the basis of their own narrow interest, as to whether a plant would be commenced.

A further aspect of this entire program has to do with the grants to foreign-owned and foreign-controlled corporations. It has already been noted that up to the end of 1969, under the various incentives programs, incentive grants were made by the government. They were made under various programs, including old programs now being terminated, and they were made to foreign controlled corporations. These, I suggest, could be controlled more adequately as a result of the amendment that I have moved. There is certainly no indication that there has been any change in the pattern of grants which have been offered under the Regional Development Incentives Act.

It seems to me, Mr. Speaker, that we must ask this question: where is the government going with respect to the question of foreign ownership? Certainly the government has indicated that it has directed a statement of policy to be prepared. Just when that will be available is difficult to tell. I am not too hopeful of the final result, especially when one considers the manner in which the department is currently contributing to the further giveaway and sellout of the Canadian economy as a result of grants being provided under this program. I think this is a very serious matter, Mr. Speaker, because the minister must take the prime responsibility for the destruction of his program. You know, he entered the government as one of the three wise men. It seems to me that something happened on the road to Damascus; or, one might say, something funny happened on the way to the forum. This brought about tragic results—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member. I must tell the House that his time has expired.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I do not intend to make any extended remarks at this stage of our proceedings. I had some difficulty in relating the remarks of the hon. member who has just taken his seat to the amendment. It is my understanding of the rules that the debate at this stage should be quite confined. We ought to confine our remarks to the amendment before the House. I intend to do precisely that, with this exception: we hope that the speech the hon. member has just made will not be repeated on third reading. That is the type of speech one might expect to hear during the third reading stage of the debate.

I should like to say a few words about the amendment and the position this party takes on it. This amendment was first moved in committee and was defeated in committee. We voted against it at that time because we then felt as we do now that this amendment would make the program ineffective to the point where it would be totally unattractive to any industry which wanted to take advantage of any grant available under the program. This is our main criticism of it.

The amendment calls for participation by the Crown. It proposes that the Crown shall be provided with a number of shares equivalent to the amount of the incentive grant. The hon. member excepts grants of less than $1 million. Unfortunately, we cannot support his amendment. We had hoped that the hon. member would bring before the House an amendment that we could support. We shall vote against the amendment because we feel it will make the program ineffective to the point where it would be totally unattractive.

• (2:30 p.m.)

We moved an amendment in committee. We had some difficulty getting our point across. However, I think we did make our point. We expressed our concern over the lack of consultation with the provinces and the agencies of the provinces, particularly the municipalities and regional development agencies. To underline this concern, we moved an amendment in committee making it mandatory for the minister to consult with the 10 provinces because they are all involved in this program, and also with the agencies of the provinces.

Our amendment made it mandatory for the minister to create an advisory board. We stipulated the composition of that advisory board. In the spirit of give and take and in an effort to expedite the business of the House, we arrived at a reasonable compromise which we feel strengthens the bill. In the previous amendment, this was discretionary, as are many things under this program. This was entirely within the discretion of the minister. We were reasonably happy that the spirit of our amendment survived the committee stage. The minister now has to establish an advisory board. I serve notice that it is our intention to very closely monitor the administration of this act. Presuming that the amendment passes, we will await with anticipation the creation of this board. We will be particularly watchful of the people who are appointed to the board.

We hope the minister fully understands the intent of the amendment. In addition to appointing senior civil servants from his department, the Department of Finance and the Department of Industry, Trade and Commerce to the advisory board, the amendment calls for the appointment of other persons, hopefully those who represent some of the regions of the country directly affected by this program. More particularly, we will be very carefully watching the administration of this program, bearing in mind the reservations which we expressed in committee and which we will be expressing at the third reading stage of this bill.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I did not have the privilege of being a member of this committee. I would have liked to have heard the discussion. I have tried to read the proceedings in the committee reports, but I have not had too much success. I would have liked to have seen some amendments introduced at the report stage as a result of those discussions.

We have before us a specific resolution which goes a long way towards solving the problem which, according to the evidence, is the major criticism of Bill C-205. This criticism relates to the almost total coverage of Canada by incentive programs. If there are one or two more amendments, the Department of Industry, Trade and Commerce will be involved in every industrial development in Canada. If that is necessary, it is a sad commentary. It does not meet the hopes and aspirations we had for this legislation.

It is generally agreed that when a number of areas are designated, some consideration is given to incentives in slow growth areas. In fact, we must draw these areas to

the attention of those wishing to establish industries. If the city of Montreal, with the largest population of any center of Canada, is designated, this will not help the hon. member for Renfrew North (Mr. Hopkins) who last year made a very strong plea to have his area designated. I do not have much hope that my area in northern Ontario will be designated, something for which I have fought for two or three years.

Mr. Deputy Speaker: Order, please. I know that the hon. member is very experienced and is familiar with the rules of this House. I wonder if he would now come to the amendment. There has been quite a bit of latitude. There will also be the third reading stage.

Mr. Peters: I thank Your Honour for inviting me to make a speech on third reading. I am from an area which has not received much consideration in the past. This proliferation of designations will not really help. Of the moneys that have been spent, 66 per cent has gone to foreign owned companies, most of them branch plants processing the raw materials of this country. If it had not been for the incentives that were offered, they probably would not have located in those areas.

This amendment provides that in areas when industry will not locate unless there is a very large incentive, we should attach a condition to the contribution we make that the government will receive equity shares. I am sure that many members of my party have already, or will shortly, reach that conclusion. I am sure other hon. members agree that we have to give consideration to the total ownership of specific industries in specific areas. We are going to have to direct our money into specific areas in order to provide employment in those areas at the lowest cost.

• (2:40 p.m.)

To give one example, we are providing a million dollars of federal money to one company. This program began on the basis of the number of unemployed in an area, the rate of growth of that area as compared with others, and so on. That million dollars meant the creation of 56 jobs, so these jobs were provided at a cost of $21,000 each. If we are thinking about employment, $21,000 related to 2,000 hours works out at approximately $10,000. This is the contribution we have made. Surely, we are interested in a longer term proposition?

It is almost universally the case that companies which locate in areas they would not normally enter do so because of the incentive carrot which is held out to them. They are not likely to be sure-fire enterprises; many are in serious difficulties before they start, and the grant made by the government strengthens their financial position. Many countries which have been using government direction and inducements to establish industry in particular patterns realize they will not necessarily be viable. When money is put into them they are obviously taking a chance. It is true the companies must meet certain criteria before they are considered worthy of support.

Bearing this in mind, I do not think it is at all unreasonable for us to ask for a share of the equity capital in these companies. Then, if they are successful, the people of Canada will make a profit. If they fail, at least we have sought to make a contribution to improving the economy of an area. Some of the companies interested in resource development are in a sound position. I should like to mention one industry in which we have an interest, Polymer Corporation. At one time, nobody wanted to put any money in that undertaking. None of the other companies was interested. But when we needed a substitute for rubber to help the war effort, we established the corporation on a sound basis. It was successful, and every year part of the money spent on it is returned to the Canadian treasury. This is as it should be. If that company had failed, it would have failed in an endeavour which was of great importance to Canada, and we would have been willing to accept the loss. This being so, I can see nothing wrong with our having some say in the development of companies which we are assisting.

Let us consider some of the propositions which were handled by the estates set-up in the Maritime provinces. The board established an interest in some of these companies, participated in financial decisions and exercised a limited degree of control. Obviously, when a company is induced to locate where it would not otherwise locate, it is acting artificially and in these circumstances it will often be difficult to make a success of the venture. In my view, those who have been involved in the regional development program, not only under the existing act but under the two or three measures which preceded it, are to be congratulated on producing as many winners as they have. In supporting this amendment, I suggest the Canadian public should have an opportunity to share in both the successes and the failures of this program. Together with share capital equal to the amount of the incentives grant, they would be able to exercise some degree of control over what is happening. I am concerned about some of the companies which, to my knowledge, have gone into the Maritimes with special support. One of them is a large, multi-national operation whose advantage it is to look at the overall picture. If there is insufficient profit coming from one region, the most paying course is to take the grant and get out. One company has done just that. If we had equity capital in these companies we would find ourselves in a much better position to advise or to cajole or even to ensure a greater degree of success by adding more money if necessary.

In the years ahead, depending on the kind of governments in power, the Canadian people will be bound to participate in industrial development projects to a greater or a lesser extent. Decisions will have to be made by government in the next 20 years whether or not to direct industry into specific areas. If the minister listens to the advice he gets from the provinces, he will find that in their view there is scarcely an area of any province which is not entitled to assistance. Nevertheless, the minister has an obligation under the act not to expand this program to the extent that it becomes unsuccessful. After he has specified the areas to be designated, money will have to flow into the new ventures which are established and in these circumstances it seems to me the government ought surely to be in a position to exercise a degree of control.

There are many ways in which control can be exercised. There is the kind of control Parliament exercises over the CNR which seems to me little more than picking up the tab, most of the time. We control various other government corporations in different ways. It seems to me that when it comes to companies, capitalization is really the basis of the control. We all read the financial papers and note the jockeying which is done for control of a company on the basis of, say, a 20 per cent control of the stock. In my opinion, we should consolidate our assistance in specific areas and obtain some degree of control. In the case of some companies which, to my knowledge, have asked for assistance of the kind the minister can offer, they are unable to borrow funds from the banks or raise them on the open market or extend their operations through the issuing of shares, so they would be very happy to take in the federal government as a partner.

• (2:50 p.m.)

The company would have to make some accounting to, for example, a deputy minister, and in this way the government would exercise some control and evaluation of the operation. In the case of a company like, say, Texas Gulf, it is my guess that such a company would not ask for an incentive grant if this meant they had to provide share capital. They would not want their operation diluted by the federal government sharing in the financial structure, and therefore would not apply for a grant. They would not need to apply because their ability to raise capital is better than that of the Minister of Finance (Mr. Benson). I am sure they would be more successful in floating stock than the federal government. However, if they did apply under the program, I can see no legitimate reason for them to do so, either from a socialist point of view or from the point of view of the most conservative free enterpriser. The previous speaker in the debate is, in my opinion, a pseudo free enterpriser, as I am sure he would agree, yet he is not in favour of this amendment. This shows that he does not really believe in free enterprise.

All we are suggesting in this amendment is that there be another partner in a free enterprise operation. We are not suggesting that the government exercise any undue control that they do not exercise over other companies. All we are suggesting is that they receive equity capital equivalent to the amount they put into the company in question, and that they be allowed to act in the same way as any other shareholder would act. I see no legitimate reason for not taking this first step.

The original incentive program has been a failure, as we are all aware. It is a failure in its total concept, not in individual instances. My colleague mentioned the McCain firm. In my opinion this is a case falling almost outside the incentive program, yet they received assistance. As a

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result of this assistance a new section was added to their large plant, thus allowing production to take place in Canada. In my opinion, that operation was worthwhile and was a success.

However, as far as ending unemployment is concerned, which was what the program was originally designed to do, it has not been of much help. A limited number of jobs have been created. The capitalization of these jobs has been very high in total, and to that extent has not been successful. I am sure that the minister will agree—indeed he has said this many times—that when you make a program too wide your chance of success becomes less and less with each expansion.

For the program to be successful now, we must rapidly increase over the next year the amount of money that is available. I am sure that the people of this country will be willing to assist through taxation, and to that extent will participate in the program. But surely the public can participate not only in the losses but in the profits in cases where profits are made on their investments. If companies under the program were fair with the government they would be willing to pay a dividend on investments for the lifetime of the investments. If they have been unable to get money elsewhere and turn to the federal government for assistance, surely they should regard equity capital from the government as no different from equity capital from other sources.

I am not an expert on financial matters, and I do not know how many of the companies we have already assisted would agree to the proposal now before the House. But in view of the number of companies that we have supported, it seems to me that this proposition is a very minimal requirement.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but I must do so in order to tell him and the House that his time has expired. Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those against will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

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

[Mr. Peters.]

• (3:00 p.m.)

YEAS

Messrs:

Brewin
Broadbent
Burton
Douglas (Nanaimo-Cowichan-The Islands)
Gilbert
Gleave
Harding
Knowles (Winnipeg North Centre)
Lewis
MacInnis (Mrs.)
Mather
Nystrom
Orlikow
Peters
Rose
Rowland
Saltsman
Thomson (Battleford-Kindersley)—18.

NAYS

Messrs:

Alexander
Allmand
Anderson
Andras
Badanai
Baldwin
Basford
Béchard
Bell
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Cafik
Chrétien
Clermont
Coates
Code
Comtois
Corbin
Corriveau
Côté (Longueuil)
Crossman
Crouse
Cullen
Cyr
Danforth
Danson
Dinsdale
Dionne
Drury
Dubé
Dupras
Duquet
Fairweather
Forest
Forget
Forrestall
Fortin
Foster
Francis
Gendron
Gibson
Gillespie
Gray
Grills
Groos
Guay (St. Boniface)
Guilbault
Hales
Hees
Hogarth
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Korchinski
Lachance
Laing (Vancouver South)
Lambert (Edmonton West)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Latulippe
Lefebvre
Legault
Lessard (LaSalle)
Loiselle
Lundrigan
Macdonald (Rosedale)
MacEachen
MacGuigan
MacLean
Macquarrie
McBride
McCleave
McCutcheon
McGrath
McKinley
McNulty
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Marshall
Matte
Monteith
Morison
Muir
Munro
Noël
Nowlan
O'Connell
Olson
Peddle
Penner
Pepin
Perrault
Pringle
Prud'homme
Reid

Messrs:

Ricard
Ritchie
Roberts
Rochon
Rodrigue
Rondeau
Roy (Laval)
Ryan
Rynard
Scott
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Southam
Stanbury
Stanfield
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Thomas (Moncton)
Thompson (Red Deer)
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Weatherhead
Whiting
Yanakis—137.

• (3:20 p.m.)

Mr. Speaker: I declare the motion lost.

Hon. Jean Marchand (Minister of Regional Economic Expansion) moved that Bill C-205, to amend the Regional Development Incentives Act, as reported (with amendments) from the Standing Committee on Regional Development, be concurred in.

Motion agreed to.

Mr. Speaker: When shall the said bill be read the third time? By leave, now?

Some hon. Members: Agreed.

Mr. Marchand (Langelier) moved that the bill be read the third time and do pass.

Mr. McGrath: Mr. Speaker, we would expect the minister to make a brief statement at this stage of our proceedings. I wonder if he has anything to say on the bill. This is a very important measure and many hon. members in the House have very strong views on the bill and want to say something about it.

We believe that this government has proceeded with what we consider to be unjustified haste. We find it very difficult to understand why the government found it necessary to bring in this bill a few days prior to the scheduled Christmas recess of the House. In so doing, the government made it very difficult for members to study the bill in detail and its very broad implications. More particularly, it made it difficult, if not impossible, for people in this country who are greatly interested in this legislation to examine it and to prepare briefs which in the normal course of events they would present to Parliament during the clause by clause study of the bill in committee.

I think the record should indicate that this measure did not come before the House for debate until December 10, a little over a week ago. It was brought before us in the late hours of Thursday afternoon, December 10, and we spent Friday afternoon debating it. On Monday the bill was referred to the Standing Committee on Regional Development. We had Monday, Tuesday and Wednesday, morning, afternoon and night sittings in committee. We heard witnesses who were called on very short notice from the Atlantic Provinces Economic Council, from the Rural Development Council of Canada, from the Atlantic Advisory Board and from very qualified and eminent people in the field of economics, especially in regional development.

Mr. Speaker: Order, please. I apologize to the hon. member for interrupting him, but there are many conversations taking place in the chamber. It is unfair to the hon. member who has the floor, and it is difficult for the Chair to follow the hon. member.

Mr. Forrestall: Not to mention how difficult it is for the hon. member.

Mr. McGrath: It does not bother me particularly, Mr. Speaker, but it is certainly a reflection of the attitude of hon. members opposite to this very important bill, an attitude of callous indifference and, indeed, of arrogance toward the measure and the broad implications it has for the Atlantic provinces and the regionally disadvantaged areas of Canada. Mr. Speaker, it might be just as well if hon. members opposite did leave the House, because they have not been following this bill. They paid no attention when the bill came in for second reading; there was hardly a corporals' guard here then.

• (3:30 p.m.)

Mr. Hees: Disgraceful.

Mr. McGrath: They paid little or no attention to the bill when it went to the Standing Committee on Regional Development. Indeed, until we were ready to vote on the clause by clause study of the amendments we did not even see the government members of the committee. They did not have the courtesy to attend and hear witnesses in the committee.

Mr. Hees: Shame.

Mr. McGrath: They showed the same indifference to the witnesses who came here, at great inconvenience, to give evidence on this bill as they are showing to the broad implications of this measure. That is reprehensible conduct on the part of the government, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. McGrath: During the limited time at our disposal we intend to demonstrate exactly what the consequences of this legislation are to the Atlantic provinces, to the Gaspé region of Quebec, to new Quebec to the Labrador portion of Newfoundland, and what it means to northern Ontario.

Mr. Forrestall: The members have all gone.

Mr. McGrath: In so doing, Mr. Speaker, we shall be registering our grave concern about the course that the government has insisted on following. They have adopted this regional development program with its ramifications, a 15-year program designed to change the structure of areas such as the Atlantic provinces—and you cannot do that overnight—in an attempt to make up for the deficiencies of many years. They have taken this program and used it to meet a short-term, cyclical situation. In so doing they have diluted the bill to the point that it is practically useless to the peripheral areas of this country.

We are fully aware of the seriousness of the situation in Montreal. We are equally aware of the seriousness of the situation throughout the country which is the direct consequence of the government's monetary and fiscal policies in fighting inflation and the deliberate creation of high unemployment.

Some hon. Members: Hear, hear!

Mr. McGrath: We know that this is a very serious matter, but we are concerned about the way the government is attempting to cope with it. We are very concerned that they will take the Regional Development Incentives Act, the main thrust of the government's regional development policy, and use it to meet a situation which by its very nature must be short-term. The excessively high unemployment in Montreal and in most of the industrial areas of the country is short-term; it will pass. The problems in the Atlantic provinces are anything but short-term. The problems in northern Ontario, in eastern Quebec or in some parts of the Prairies are anything but short-term and will require a long-term approach.

The minister has gone full circle; he has gone completely against the assurance that he gave in Halifax in October, 1968. I think his assurance is worth repeating for the record. The minister said:

> I believe that in our business the sensible, effective action will be found in the middle area between short-run expedients and vague long-run plans. I propose to choose 15 years as the reasonable time horizon for which we should do our planning—

Nobody quarrelled with that statement at the time, because everybody realized the importance of time and that what the minister was trying to do could not be accomplished over-night. You could not do away with the injustices of a hundred years in a short time. The minister continued as follows:

> So let me emphasize my first principle. It is that we won't offer short-run expediency or long-run vagueness. We want to have constructive, practical, medium-length plans. We are going to plan for every possible effort for 15 years.

By the amendments to the bill now before the House the minister has changed the whole concept. Professor Brewis, considered to be one of the experts in Canada on regional development, believes that the minister has reoriented the whole policy by using this program to combat cyclical unemployment. Mr. Speaker, we feel that the broad ramifications of the minister's actions will be felt for a long time in the regionally disadvantaged areas of this country. That is why we are concerned, and that is why the Atlantic Provinces Economic Council is concerned. In a recent "Newsletter" the council stated:

> With so much of the industrial heartland of Canada now eligible for grants, the Atlantic region may well ask what chance it has to compete for new industry. When everything is designated, nothing is designated.

Some hon. Members: Hear, hear!

Mr. McGrath: In our view, that is the main objection to the course the government is following. They have weakened this bill so far as areas like the Atlantic provinces are concerned to the point where it will be virtually impossible, notwithstanding the added incentives, to attract industry because industry will be unable to resist the pull of Montreal, the metropolis of Canada, located right in the major markets of the country. This act was designed in the first place to do just the opposite. It was originally designed to enable areas such as the Atlantic provinces to compete with industrial areas such as Montreal.

Representatives of the Atlantic Provinces Economic Council gave evidence before the committee expressing the same reservations in much broader terms, as outlined in their "Newsletter" of December, 1970. They questioned the effectiveness of the program and the ability of the government to administer it now that the proposed amendments would broaden its scope to the extent where practically half the population of the country is involved in the Regional Development Incentives Act.

We should take a long look at this program, Mr. Speaker. We in this party intend to monitor its operation and the power the minister will have under this measure. We shall watch very carefully to ensure that there is consultation, for example, we will be very anxious to see what happens in Quebec and in Montreal, because we believe that this program will not be effective in meeting the immediate need of Montreal, which is jobs. These jobs are needed now, this winter. We question whether this program will meet that need.

During the course of the committee meetings on clause by clause study of this bill, and as a direct consequence of the evidence produced, we were concerned about the wide, discretionary powers enjoyed by the minister. We tried to put forward an amendment which would ensure that the minister used this wide discretionary power only after full consultation—

Mr. Muir: Dictatorial power.

Mr. McGrath:—with the provinces and the municipalities. We were shocked to learn during the committee stage of the bill that the Atlantic Provinces Advisory Council, which is charged by statute with advising the minister, had not been consulted by the minister since last January.

• (3:40 p.m.)

An hon. Member: Shame.

Mr. McGrath: We thought that was a shocking revelation. We expected the minister to live up to the statutory obligation placed upon him by the act and consult the Atlantic Provinces Advisory Council about the formulation of the philosophy that brought about this amendment. I am sure that if he had consulted the advisory council they would have advised him against using this particular measure to combat unemployment in Montreal and southeastern Ontario. They would have advised him against this course because of the consequences it would have upon areas such as the Atlantic provinces.

We were equally disturbed after listening to the presentation of the members of the Rural Development Council, for which the minister also has statutory responsibility. They, too, indicated under questioning that the minister had not consulted them. The minister had not bothered to consult them, yet that body contains on its executive committee Professor Brewis, who, on the subject of regional development, is one of the most knowledgeable scholars in Canada.

Mr. Muir (Cape Breton-The Sydneys): The minister only talks to himself.

Mr. McGrath: Also, the Atlantic Provinces Economic Council, that quasi-official body operating in the Atlantic provinces under the patronage of the four Atlantic governments, had not been consulted by this minister. We find it difficult to understand where the minister obtains his advice. Where is he obtaining it? He has yet to tell us. When replying to our direct questions in this regard, he pooh-poohs all our suggestions. He says in so many words, "This is just so much economic theory. You and others have one view; I have my own view." Apparently everybody in Canada is out of step except the minister and his deputy. Unfortunately, in a situation such as this the consequences of that attitude can be serious.

Our amendment would have made it mandatory for the minister to set up an advisory council. We set out in our amendment the composition of that council. We suggested that the council should in part be composed of one nominee from each of the ten provinces, because all ten provinces are now concerned in this program. There are ample precedents for that position. We set out the precedent under the manpower act, a measure for which the minister had some responsibility. We set out the precedent under the Expo act and under the Devco act, for which the minister now has responsibility. There is ample precedent for the Lieutenant Governors in council to make appointments to federal advisory boards.

We stipulated that the board should be comprised of 15 members nominated by the government and a member nominated by each of the ten provinces. This board would have ensured consultation. It was to concern itself with the type of situation now developing in Canada with so much of the country designated. Now provincial governments such as the government of Saskatchewan and perhaps the government of Manitoba, are beginning to designate their own areas. They are doing so because areas in those provinces which have not been included as federally designated areas are at such a disadvantage that the provincial governments have been forced to move in and provide some incentives. Just about the whole country is designated, so what was formerly a regional development policy which gave us some hope has now been translated into a national economic program. The consequences of the government's action, in my view, could be most drastic for areas such as the Atlantic provinces.

The government agreed to accept a watered-down version of our amendment. Imbued with the spirit of Christmas and the spirit of compromise, they agreed that it was necessary to hold consultations. They agreed it was essential that the minister's powers should be at least mellowed by the process of consultation and that this consultation ought to become mandatory rather than discretionary, as the previous amendment set out. They accepted the amendment. There is a new clause in the bill which indicates that the minister shall appoint an advisory council. We shall be watching for the appointment and make-up of the members of the council.

Mr. Peters: Don't hold your breath.

Mr. McGrath: The minister heard the evidence given before the committee. He heard the concern expressed by the members of the committee. The minister knows full well that we are concerned because there has not been consultation in many of the complex regions pertaining to the administration of the act. There is provision in the bill making such consultation mandatory. The minister is under an obligation. I feel that inherent in the acceptance of that amendment is the minister's acceptance of the idea that there should be regional representation on the council. I am sure that was the wish of the committee. It was certainly my wish that the council should not be confined to civil servants in Ottawa and to perhaps a few of the minister's personal friends from Quebec.

Some hon. Members: Oh, oh!

Mr. McGrath: I say that quite sincerely, Mr. Speaker. We want to make sure that somebody from the Atlantic provinces will serve on the council. We want to make sure that there will be on this council somebody who will look after the interests of northern Ontario and other regions.

Mr. Forrestall: The minister will not listen; he has left the chamber.

Mr. McGrath: As a consequence of our amendment being accepted, we feel the bill is now better than it was at the beginning. We ought to examine the record, to see what is the result, at first glance, of any analysis as to the way the program has operated thus far. Sometimes statistics are misleading, yet, on closer examination they usually tell the true story. Let us look at the over-all average of the number of jobs created in the period from, say, September 1 to the end of November, 1970. According to the national average, 42 jobs have been created per approved program.

That figure of 42 jobs per approved program does not stand up very well under analysis. If one examines the program closely, one will note that the Atlantic region, with the highest rate of unemployment in the country, had the lowest average number of jobs created per approved application. On the other hand, the province of Ontario, which has enjoyed a traditionally low rate of unemployment, has the highest average for the number of jobs created per approved application. A similar, high average applies to the province of Quebec. This in my view shows a serious weakness in the program. Even if one disregarded the amendment, one could entertain a doubt, to say the least, about whether this program was capable of performing the task that Parliament expected of it, that of creating new jobs.

Let us look at the statistics which apply to other parts of the country. As I said, on a national average 42 jobs have been created per approved application. Let us begin with Newfoundland, which has the highest rate of unemployment in the country and usually has had that unique distinction. For the period September until the end of November, 1970, the number of jobs created per approved application in Newfoundland was three: three jobs were created per approved application. The average figure becomes somewhat higher as one looks at the mainland of Canada. In Prince Edward Island the average number of jobs created per approved job application was 26; in Nova Scotia the average number was 20; in New Brunswick it was 19. Looking at Quebec, one sees that 60 jobs were created per application under this program. In Ontario it increases to 77. It declines as we go further west: in Manitoba it is 14; Saskatchewan, 53; Alberta, 42; British Columbia, 12. British Columbia has a very high rate of unemployment. It has the second highest rate of unemployment in the country.

• (3:50 p.m.)

The number of jobs created per application under this program is the lowest in areas of greatest need, and highest in areas of least need. That does not make sense. This program is not fulfilling its purpose. The purpose of the program was to create jobs in the regionally disadvantaged areas of the country where there is traditionally high unemployment. That is where the program is least effective. We were encouraged by the admission of the deputy minister that the Atlantic Advisory Council has undertaken a study to determine why the program has not been effective in the province of Newfoundland. The new facilities created, as the percentage of the total of applications indicates, show that the Atlantic provinces are well below the national average. Conversely, British Columbia, Quebec and Ontario are above the national average. This indicates that the program has not been effective in creating new jobs in disadvantaged regions. In its present form, the program has had limited effectiveness, especially in the Atlantic provinces.

The amendment before us will do little to correct this serious deficiency. It will provide an added incentive for the Atlantic provinces to offset the incentive provided to Montreal. The amount of the Montreal incentive will be added to that of the Atlantic provinces. The best evi-

dence presented to the committee unequivocally indicated that this would not offset the designation of Montreal; representatives of APEC gave evidence to this effect. Professor Brewis, who was quoted earlier in this debate, gave clear and concise evidence to this effect. Professor Smith the chairman of the Atlantic Advisory Council, was less precise in his evidence before the committee. However, he indicated that before there can be an effective regional development program in this country there must be a strong national economy. If we do not have a strong national economy, the government must forget about regional development, which it is now doing; it must concentrate on uplifting the economy by providing employment in areas of high unemployment in the industrial heartland. This is precisely what the government has done. It now has no regional development policy.

The government has made the regional development program the instrument to combat the cyclical problem in the industrial heartland of Canada. By so doing it has diluted the bill to the point where it is practically useless to areas such as the Atlantic provinces, which is regrettable, Mr. Speaker, because the need is very great. It is anticipated that the rate of unemployment in the Atlantic region this year will exceed 15 per cent. It has already exceeded 10 per cent in Newfoundland, and God knows how high it will go before this winter is over. I point out the statistics to the minister because this is what concerns us about the legislation in its present form. We were not comforted by the evidence of Professor Brewis. This program is all we have and we must try to make the best of it.

We think the government has made a very serious error in judgment by using the regional incentives program as the main weapon to combat the seriously high rate of unemployment in Montreal. We must accept the decision of the government because of our concern about what has happened in Montreal. We have tried to point out the error of the course the government has chosen to follow. We have tried to improve the bill. We hope the bill will alleviate the very serious situation that exists in Montreal.

The minister did not satisfactorily answer the question put to him in committee. Why did he not take advantage of the government organization bill? He could have used the provisions of that bill to deal with the situation. I might add there is a very high rate of unemployment in Vancouver as well. Why not designate Vancouver? The minister could have introduced a "crash" housing program under the National Housing Act to combat unemployment in Montreal. This would have created housing in an area which has a disproportionately high level of substandard housing. It would have achieved two objectives, housing construction which is labour-intensive and it would have provided badly needed jobs and fulfilled a social need. However, the minister did not elect to do this.

Mr. Speaker: Order, please. It being four o'clock, the House will now proceed—

Mr. MacEachen: Mr. Speaker, may I suggest that the House consider sitting until six o'clock, if necessary,

adjourning for one hour for dinner and continuing the debate at seven o'clock.

Mr. Knowles (Winnipeg North Centre): I assume that the President of the Privy Council (Mr. MacEachen) is also suggesting that we suspend private members' hour.

Mr. MacEachen: Yes, Mr. Speaker.

Mr. McGrath: Mr. Speaker, our party is agreeable to the proposition that the minister has just stated.

Mr. Speaker: Is it agreed that an order be made in the terms stated?

Some hon. Members: Agreed.

Mr. McGrath: I fail to understand why the government did not use some of the existing programs at its disposal to combat the high unemployment in this country, especially in the cities of Montreal and Vancouver. I hope that when the minister speaks in this debate he will dispel our fears about the way this program has been used and the consequences of the government's action in designating the city of Montreal and part of eastern Ontario. This makes it virtually impossible for provinces such as Newfoundland to compete against Montreal in attracting new job-creating industries, which is the purpose of the program. This concerns us about the program. Members of the New Democratic Party referred to this matter in the debate on their amendment at the report stage of the bill.

• (4:00 p.m.)

Analysis of the program indicates that the highest grants produced the fewest jobs. This, surely, is an anomaly which requires explanation. There must be a reason why this should be so. The hon. member for Regina East (Mr. Burton) referred to this matter and, indeed, the evidence presented to the committee showed that the highest grants did in fact produce the fewest jobs. I hope the minister will explain this situation and dispel our genuine fears on this point.

This is the only development program we have. Until the government brings in a new one we can only hope it will be effective in achieving its objectives. We certainly hope that the study undertaken by the advisory council in Newfoundland will produce a means whereby the program can be effective in that province, a province where this type of assistance is badly needed. Indeed, we hope the program will be effective throughout the Atlantic provinces and that the additional grants will make it possible for us to compete, notwithstanding the designation of Montreal.

We hope this program will work. We have tried to offer constructive criticism and the speeches which will be made by my hon. friends later in this debate will repeat some of our constructive criticism. I want it clearly understood that constructive criticism should not be misconstrued as opposition to the principle of the bill. We support what the minister is trying to do, but we question the way he is doing it. We sincerely hope that the program will be effective, that it will create jobs; but we hope a reasonable explanation can be given of the anomalous situation whereby the highest grants have produced the fewest jobs, and of the disproportion in the number of jobs created in areas of highest unemployment as compared with those in areas of lower unemployment. Having said this, I reiterate the view of the party to which I belong: We support the intent of the legislation but we question the way the government is going about it.

Mr. David Lewis (York South): Mr. Speaker, I rise to take part in this debate because in my view and in the view of my hon. friends the bill we are discussing is wrong in its policy. It is, as one of the witnesses before the committee said, an administrative monstrosity and it is a negation of the whole idea of regional development properly understood and properly followed.

There is not a thinking person in Canada who does not realize that regional disparity is a problem with top priority in this country. There is not a person in Canada who is not anxious to get rid of the regional disparities. In income, standard of living, employment opportunities, welfare and every other area of our society, the disadvantaged portions of Canada have suffered for decades. We understood that the present government in particular had undertaken to deal with regional disparity in an effective and planned way. The sad and dangerous thing is that this is not the way in which it has been treated. In fact, from the relatively little information the minister has given Parliament, the program appears to be entirely in a shambles.

Every member of this House and every thinking Canadian is concerned about problems in the province of Quebec which were at least in part responsible for the crisis through which we have been passing in the last couple of months. As I said in another debate, I am one Canadian, one Member of Parliament, who is prepared to support any reasonable and effective contribution to raising the economy of Quebec so that unemployment there may be reduced, this winter if possible or in a year or two at least, and so that the basic unhappiness, resentment and frustration may be partly cured in that province. But I say to the minister that this bill and the regional development plan are entirely the wrong vehicle for dealing with the situation in Quebec. One cannot deal with a problem which, one hopes, is temporary, by means of a program which is supposed to have a long-range commitment and objective.

The reasons for the situation in Quebec and in Montreal in particular are quite different from those underlying the situation in the Atlantic provinces or in certain areas of Manitoba. For example, there is no question of transportation costs in Quebec or Montreal, no question that an infrastructure is lacking as there is in the Atlantic provinces. There is no problem about distance from markets, as there is in the Atlantic provinces.

None of the problems which underlie the lack of economic development in the disadvatanged areas is present

in Montreal or Quebec. What is present in Montreal or Quebec is a consequence of an ill-advised and cruel policy by this government in its so-called fight against inflation. An associated problem in Quebec, as I am sure the minister will want to tell me, is that in recent years certain elements in that province, certain policies, certain groups, have by their nature and behaviour held back the normal amount of private capitalist investment going to Quebec. So there are entirely different grounds for the difficulties they have to face.

These proposals cannot deal with the lack of investment in Quebec as a result of a particular situation there. They cannot deal with the result of the government's dismal monetary, fiscal and investment policies as part of a regional development program intended to improve the disadvantaged areas of the country on a long-term basis. The minister cannot do it, and when he attempts to do it, as he does in this bill, he creates an administrative monstrosity and negates the very objectives which he himself set out when he introduced the original act to which this bill proposes amendments.

I understand that one witness before the committee gave evidence that the program now covers five different kinds of designated areas. There are the designated regions under the original scheme; there are the special areas created within these designated areas. Then we have the prescribed areas where certain other conditions apply. Then we get Montreal, Hull and the three eastern counties of Ontario as areas to which it is intended to apply the particular incentives of the bill before us. In addition there is the new situation in the Atlantic area where they will receive the incentives based on the old program of 25 per cent and $5,000 per job, plus the new program of the additional 10 per cent and an additional $2,000 per job. Mr. Speaker, if this is a sensible, logical program, I am the Emperor of Japan. The minister who is, I am sure, as anxious to deal with these matters as I am, ought to have known better than permit his deputy, who scuttled the anti-poverty program a few years ago, to lead him into the administrative jungle in which he now finds himself.

• (4:10 p.m.)

There are ways to deal with the special situation of Montreal and Quebec. The Minister of Finance (Mr. Benson) has suggested setting up a capital development fund of $150 million, the largest part of which is to go to the province of Quebec. We said at the time that $150 million in terms of the needs of the Canadian economy is both senseless and picayune; that what is required is $750 million or $1 billion if we are to give any real incentive to the improvement of the general economy, and particularly that of the province of Quebec. This would be the proper vehicle for dealing with the situation in Montreal and Quebec, in Cornwall and the three counties of eastern Ontario with which the bill is intended to deal. These areas do not have the problems of the Atlantic area; they must be dealt with in terms of an immediate, planned, large investment program that is not part of the regional development program because these areas are not part of it. You cannot artificially introduce something that does not belong to the regional development program.

In the Atlantic provinces there is the problem of infrastructure. There are problems of transportation and of private corporations that do not see a profit in the Atlantic economy. The policies that the minister and his department have followed show no element of planning, of direction, and constitute ad hoc planning of the worst possible kind. The minister jumps from one thing to another without reference to area. One of the witnesses from the Atlantic Provinces Economic Council, I think Mr. Flemming whose evidence I quickly read today, told the committee that what they have had in the Atlantic provinces is merely an increase in existing industry. He said that almost nothing new had been introduced. I will take his word for that since my observations during my visits there have shown me the same thing. From what I know about the grants that have been made to small businesses, there has not been any planning for industrial or economic development, as Mr. Flemming on behalf of APEC told the committee. It is simply a case of giving money to any business that looks O.K.

We also have a terrific time lag here. This should be kept in mind when we talk of Montreal, Quebec and Cornwall. According to the information the members of the House had toward the end of October, there were an estimated 18,362 jobs that it was intended to create with a commitment of $102,579,442. However, as of this week only $3.4 million had actually been paid out. I do not blame the department for this, though I suspect that part of the reason for it has been a great deal of bureaucratic movement in reverse, a sort of two steps backwards, one step forward process which frequently happens in this sort of case. But even if that is not the case, what this situation does underline is the immense time lag between the commitment of some expenditure on businesses that have come into the plan and the actual paying out of the money.

According to Mr. Flemming—I did not read in the evidence a denial on behalf of the minister or his deputy—it takes 16 weeks from the time of the making of an application to receiving an offer from the department. Then there is a further time lapse in order to build a plant if a new plant is required, to get machinery if new machinery is required, to import equipment if new equipment is required or to set up a new work force if a new work force is required. These things cannot be done overnight; they take months, sometimes years. As I have said, to attempt to deal with the situation in Montreal and Cornwall by the regional development route is to heap illogic upon illogic.

Having tried to study and understand the whole policy, my major objection to it is that there is no plan regarding regional development. I have seen no evidence that the department and its advisers have sat down and asked themselves what the Atlantic region needs over the next 15 years to raise its economy to a level that approximates the national average. I am not talking about merely expanding some little industry already in the Atlantic provinces; we may be required to introduce completely

new industry and new concepts into the area. This is the way the problem is tackled in other countries and it is done in this way because there is not the same stupid, reactionary, doctrinaire commitment to deal only with private enterprise and private corporations.

It is true that there is no country in the world, at least no country I know of, that does not have a problem in regard to regional disparity. To take the Communist countries first, Russia has such a problem, as do China, Poland and Yugoslavia. The same is true in Italy and France, and to a lesser extent in West Germany and Britain. Even in the Scandinavian countries, where populations are small, there are disadvantaged areas vis-à-vis the national average in those countries. In other words, this is a world problem, not one that Canada alone faces.

I admit that this problem is not soluble overnight, in a year or even in five years. But we have to make a start on solving the problem. The way in which other countries have started to solve it is not by waving carrots in front of the noses of private enterprisers and echoing the stupidities which private enterprisers have echoed for decades. We must solve this problem by doing what has been done in Italy, France, West Germany, Britain and other democratic countries, namely, by having a plan for the location of industry, a plan that is related to the indigenous resources and skills of the area, a plan that takes account of the total economy and the regional economy and relates the one to the other. Such a plan has a life for a period of years, instead of jumping from one alleged crisis to another.

It is this utter lack of planning in the minister's department that has, in my opinion, made his department a shambles. This is why this legislation is bound to fail, though I know the minister will not agree and neither, perhaps, will the official opposition agree. On any proposal for planning and public investment, my party remains alone. I am not unhappy about that. I would rather stand alone with the conviction that I am right than merely follow the herd, and I do not apologize for that. As I say, the action the government is now taking is bound to fail.

• (4:20 p.m.)

Ever since 1963 we have been promised a Canada Development Corporation. Unless I am mistaken, every Throne Speech since a Liberal government has been in power, whether under right hon. Mr. Pearson or under its present leader, has promised a Canada Development Corporation. We still do not have it. The way to deal with the Montreal and Cornwall situations, and the way to deal with many aspects of the disadvantages the Atlantic region suffers, is to have a Canada Development Corporation simultaneously with a regional development plan, so you would have a pool of investment under the control of the government which could be used to raise the economies of all parts of Canada in a planned and sensible way. That is what we should have.

Because we do not have a Canada Development Corporation and because the minister does not have a pool of investment to which he can turn, except the funds the Minister of Finance and the President of the Treasury Board (Mr. Drury) make available from time to time, he does this kind of senseless thing. I say to him that this bill is senseless. Hon. Members who spoke earlier today were right when they said this bill completely negates the regional development plan. The people of the Atlantic provinces are right to fear that as the result of this proposal they will get even less than they have received until now. The people of Quebec are right in feeling that their problems are being dealt with in a useless, flippant and almost silly way, and that they cannot look forward to a real solution to the problems they have faced and which Canada has had to face.

Of course I know that this bill will pass because the government has decided on it. However, I say, first, that it is a bad bill in itself and, second, that it destroys the concept of regional expansion. Third, it is another example of complete lack of economic and social planning. Finally, it will be of no use whatsoever in solving the unemployment situation in Montreal this winter, and probably of little use even a year or two years from now.

When we look at what the minister has accomplished a year or two from now, we will find that this minister, who has a big heart and a desire to do this job well, will be a failure because of the way he is proceeding and because the work is unplanned. He will be a failure because of the mixed-up monstrosity he has created with this bill.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, it is unfortunate that we are debating such a vitally important subject under the pressure of a Christmas recess deadline. There is nothing more important in the country at this time than the necessity of dealing with a problem which has been with Canada since confederation—the problem of regional economic disparity. This was one of the major topics discussed by the Prime Minister (Mr. Trudeau) during the 1968 election campaign. It is one of the recurring issues which crop up at federal-provincial conferences on constitutional matters and also in respect of other areas of government. Because the government is taking this precipitous action to deal with a fundamental problem on a crisis basis, we find ourselves involved in a debate that can only aggravate the tensions which exist in Canada as a result of regional economic disparity.

Other members who have spoken during the debate have pointed out the government's failure to deal with this problem on a long-term basis. This has been the peculiar approach of the present government to economic matters. Just two or three weeks ago we had a budget brought down on the basis of a crisis precipitated by the troubles the province of Quebec has experienced in the past few weeks. That budget has since been described by various authorities on taxation matters as a non-budget.

To indicate that I am not prejudiced about this matter, I should like to quote a new Liberal voice from western Canada. I refer to the new Liberal provincial leader in Manitoba, Mr. Asper, who became well known for his understanding of tax problems as a result of his widely read book "The Benson Iceberg". His response to the

non-budget was in the following terms, and I quote from the Brandon *Sun* of December 4, 1970:

"It's a budget designed to bolster the eastern economy while it should have created job opportunities on the Prairies so eastern unemployment could have drifted here", Mr. Asper said in an interview.

I should like to speak during the few minutes at my disposal this afternoon about the western approach to government initiative in the area of regional economic development and the whole program of diversification and dispersal of industry in order to bring about a more rational distribution of population, financial resources and political power. These problems have been discussed in Parliament since the end of World War II with increasing intensity. As a result, the government has moved gradually and cautiously into this area of responsibility.

I remember that one of the first private members' resolutions sponsored related to the necessity of government action to ensure diversification and dispersal of industry throughout the nation. There was considerable progress made in the latter part of the 1950s and the early part of the 1960s when special plans and programs were designed to deal with problems facing the Maritimes. We have heard several spokesmen from the Maritimes who have presented their case in typically eloquent terms. The program for northern development also came to the fore. There were also the special programs to deal with the peculiar problems of western Canada and the designated area program designed to deal with pockets of unemployment in urban centres. The Prairie Farm Rehabilitation Act was designed to offset the rural-urban drift which was reaching chronic proportions.

Unfortunately, during the latter part of the 1960s the government's policies both in respect of urban growth and the agricultural industry have tended to aggravate rather than solve this problem of population drift from rural communities to urban centres. This has resulted in a crisis atmosphere which is becoming all too obvious in our huge metropolis areas. Unfortunately, also, the legislation before us today is designed to deal with one of these crisis areas on an ad hoc basis. As has already been stated by spokesmen on this side of the House this approach will destroy the fundamental purpose of the DREE program.

• (4:30 p.m.)

If the process of continuing planning which has been gradually established over the past 15 years is interrupted by the use of legislation to deal with an immediate crisis situation, the program unfortunately will become so badly distorted that it will, as I have already indicated, aggravate regional disparity and create a growing tension and dissension in the whole area of national unity, rather than relieve the problem. I have already quoted one western Liberal authority in this regard. Perhaps the most apt description of what is taking place in respect of the government's initiative is that the program of regional disparity is being changed to one of political disparity which in the old days was known as pork-barrel politics.

[Mr. Dinsdale.]

Again, as an indication that this is not the prejudiced pronouncement of a member of the opposition, I should like to go back to the Liberal authority to whom I have already referred. I quote from the Brandon *Sun* of November 26 this year as follows:

The leader of the provincial Liberal Party told the Brandon Liberal Women's Association that Manitoba, in fact the entire Prairie region, is a victim of an "anarchistic and outdated" governmental structure—

Further on the article reads:

In a hard-hitting 70-minute address, Mr. Asper said he intends to travel throughout Canada "to tell how confederation has denied us equality of economic opportunity and reduced us to the status of second-class citizens."

Then he deals directly with the problem which we are discussing this afternoon.

About 33 per cent of Manitoba's one million people live below the poverty line.

"This 33 per cent figure speaks a great deal," Mr. Asper said. "It is higher than the 27 per cent figure for Quebec and everyone bleeds for Quebec. I also bleed for Quebec but I bleed more for Manitoba."

I agree wholeheartedly with the sentiment expressed by the leader of the Manitoba Liberal party. Coming closer to home, we have another Liberal spokesman from the west, the Minister of Supply and Services (Mr. Richardson), who comes back to the theme repeatedly. He has expressed continuing concern and I hope similar sentiments will be expressed during the course of this debate. A year before Mr. Asper expressed this concern, the minister is quoted in the Winnipeg *Tribune* of November 17, 1969, as follows:

In a strong speech to delegates attending the annual meeting of the Manitoba Liberal Party Sunday, Mr. Richardson warned that growth of eastern Canada at the expense of the western region must be brought to an end.

Further on we find these words:

He made it abundantly clear western Canada will not stand by idly while government controls are centralized further in Ottawa and economic powers are allowed to concentrate in Toronto and Montreal.

This is the old formula of dividing and conquering, because strong words like that from spokesmen of the Liberal Party in Western Canada of course receive the plaudits of the public. Words of that kind also have a very divisive effect upon the Canadian body politic. Parliament is the place those sentiments should be expressed. I trust that some western Liberal spokesmen who sit in this House of Commons and represent western constituencies will seize the opportunity provided by this debate to express those sentiments when they will have the most effect, while the minister is in the House listening to the voice of western Canada as expressed by Members of Parliament. Unfortunately, the minister cannot hear such expressions out on the hustings where their whole intent is to divide and conquer.

Worse than the failure to plan on a continuous basis to deal with the fundamental problem of regional disparity, we find that some of the recent program initiatives of the government have been working at cross-purposes. I should like to refer to one or two obvious examples of

this. The problem of transportation in western Canada is always with us. We have the continuous downgrading of railway transportation in the west. What is more to the point, in this day and age when air transporation is becoming increasingly important we find the government is allowing its regional air policies to be downgraded by gradual erosion through decisions made by the Canadian Transport Commission.

Back in the middle fifties in the province of Manitoba we had adequate class A air service from Winnipeg right through to Calgary. Air Canada provided that service initially. Then Air Canada relinquished the responsibility to a regional air carrier, TransAir, along with a subsidy. In the past two years that subsidy has been removed. In a day when air transportation is of the utmost importance if we are to have any hope of encouraging industrial development, we find that the regional service at the western lateral between Winnipeg, Brandon, Yorkton, Regina and Calgary has been completely discontinued.

Last year, for example, the city of Brandon lost its class A service through to Winnipeg and Regina. This was done quite surreptitiously. In the last few weeks TransAir has even discontinued its daily service between Winnipeg and Regina. We are moving back to the horse-and-buggy days, instead of moving forward in the space age or air age when if we are to have any hope of benefiting from the government's regional development program we must ensure to prospective industry that there is adequate, first-class air service.

• (4:40 p.m.)

This is happening in face of the expenditure of millions of dollars for new airfields both in the Toronto and the Montreal regions. I can understand why Liberal spokesmen in the west are criticizing so vehemently the Liberal administration in Ottawa for their neglect in this respect. I only wish they would use the forum provided by Parliament, instead of shouting from the rooftops, on the hustings and then remaining deathly still and quiet here in the high court of public opinion.

I could also mention, of course, the confusion that was caused by the downgrading of the postal service within the past year when several communities disappeared completely in various parts of western Canada because of the arbitrary closure of rural post offices. Fortunately, we have a man in charge of that department now who understands the essence of regional development and the basis of rural problems and he has reversed that decision; but untold damage was done because of the government's failure to appreciate the real issues of regional development in western Canada.

As a result of this policy, or lack of policy, and of the planning, or lack of planning, on the part of the government we have this continued concentration in huge urban metropolises which creates problems of pollution beyond man's capacity to cope with, where the rate of crime soars, where urban guerrilla activities become a matter of serious concern and where, as is happening in some of the large centres in the United States, the problems of urban organization become almost unmanageable. This government's answer is to add insult to injury and to indroduce ad hoc programs that will only aggravate rather than resolve and assist in remedying some of these problems.

In conclusion I would like to give a specific example of the government's failure to give equal emphasis to economic problems and crises in various parts of Canada. I refer to its failure to deal with the phasing-out of military bases in western Canada in a manner designed to have the least possible economic impact on the communities concerned. In the province of Manitoba we have lost two military bases within the past several months. Two thousand seven hundred jobs were represented by those two air bases. This is more than twice the number of job opportunities created under the program of the department in the last year.

So we are going backward rather than forward. It does not have to be so, because there has been ample warning that in the government's reassessment of the military requirements for Canada there has been four or five years' warning. The base at Portage has been kept open even though there is a housing shortage that will require the expenditure of substantial sums of money in order to supply adequate housing for the increased personnel there. During the recent crisis in Quebec when military personnel had to be flown from Shilo to Montreal on an emergency basis, the Rivers airport, which is one of the best airports in Canada, had to be reopened temporarily because the Portage base was not adequate to meet this requirement. Millions of dollars have been spent at the Rivers air base in the last few years to repair the runways because it was felt that it would be one of the basic air force training units in Canada for a long time to come.

However, suddenly it is phased out of existence, and since the announcement was made in September there has been no concrete indication by the government that there are alternative programs to use the excellent facilities at this base. Representations have been made by the local communities involved who have come to Ottawa at their own expense on several occasions. Representatives of the provincial government of Manitoba have made pilgrimages to Ottawa. We have the promise that the Minister of Regional Economic Expansion (Mr. Marchand) himself will be coming to Manitoba early in the new year when he will announce plans and policies to deal with the economic crisis that has been created by this situation.

I hope that in the interests of an adequate, fair and non-discriminatory approach to problems of regional disparity the minister will be as generous to western Canada as he is to the areas that are being specially designated under the legislation before us. If Ottawa does not operate on a fair basis, the protests that I have read briefly this afternoon by the Liberal minister from Manitoba, the speeches that he makes regularly on the hustings rather than in the House of Commons, will rise to an unhappy chorus that can only have a serious impact on national unity in Canada. Then there are the statements of the new Liberal leader, Mr. Asper, which I quoted earlier. People will begin to take him seriously if

he goes on this crusade, as he says he will, across Canada, and again we will have increasing problems of national unity which are created by economic difficulties rather than cultural or symbolic matters.

As previous speakers have said, there is nothing much we the opposition can do about this legislation. The government is prepared to push it through regardless of any protests. It has been brought in during the dying hours of this part of the session of Parliament. The government has its disciplined majority. In the interests of a united Canada from sea to sea, I urge the government and the minister, as he contemplates the problems in western Canada, to act with the generosity and expedition that he is employing in the matter under discussion today.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, in speaking on the legislation before us for third reading, I assure the House that it is my intention to speak very briefly and to deal with only one or two points in connection with the over-all incentives program. Just over a year ago we passed the Regional Development Incentives Act. This act was to provide incentives for the development of productive employment opportunities in designated regions which require special measures to facilitate economic expansion and social adjustment. Bill C-205 which we are discussing seeks to amend that legislation. There are several areas where I feel other changes should be made and I welcome this opportunity to once again draw them to the attention of the minister and the House.

• (4:50 p.m.)

The specific objectives of the Regional Development Incentives Act were to foster industrial development in slow-growth areas. A number of these designated areas have been set up throughout Canada. My constituency of Kootenay West is located in one of them. To date, however, relatively few new jobs have been created as a result of this designation. There is an indication, however, that the several industrial committees which have been set up to promote and encourage the establishment of industries within their respective districts will obtain results. There is no doubt that it takes a long time to contact interested industrial groups and have them visit the area to assess the possibilities. While the process may be slow, once industry is established it helps to provide increased job opportunities which are so essential to the growth of an area.

The whole Kootenay West region has tremendous potential in the area of tourism. However, we find that incentives to develop the tourist industry were not included in the original legislation and are not proposed in this bill. I should like to make the point that once an area has been designated, adequate surveys for economic development should be made to ascertain how it can best be assisted. In the case of Kootenay West we find that the tourist industry is high on the list. Proper planning should indicate that tourism be encouraged through incentive grants.

[Mr. Dinsdale.]

I point out to the minister that if an area is logically suited to a specific type of development, this development should receive further encouragement. It would be a tragedy to encourage the development of certain types of industry in a prime tourist area. Such development could only ruin the potential for tourism. That is why I would urge the minister to apply financial incentives to the development of the tourist industry. If this is done, there will be a tremendous increase in industrial activity in the area as a whole and in some parts of my constituency. Such encouragement would also prevent choice areas being affected by unwise economic development of a type which might seriously injure the potential of the tourist industry. I think the minister should again look at this side of the picture of industrial development.

It seems to me that jobs are jobs. I can understand the need for secondary industry and I endorse the establishment of it in many of the slow-growth areas. But if you have a designated area, a large portion of which can best use incentive grants to develop tourism, that is what the government should be encouraging. I believe this is spending wisely, Mr. Speaker. We desperately need jobs in my part of British Columbia and I think we would have a real boom there if incentive grants were directed toward the development of tourism. That is why I am requesting the government to add it to the over-all picture and make the program apply from the east to the west of Canada.

In speaking about the tourist industry I would point out to the government that this is something we can sell time and time again. It is not depleted as is mining or logging. Once developed, it is there for all time and can be sold to people who like to visit these areas. As long as we do not destroy our environment through foolish development, it will endure. If we want to stop unwise economic development in some areas we must clearly indicate now that tourism is the key industry to be covered. Then we can start long-range planning for any area suited to it.

Mr. Speaker, I shall not spend any more time on this bill because I know other speakers want to deal with points which have not been raised. In closing I would say I am alarmed at the hodgepodge that has taken place in our regional development planning. It is just patch upon patch. The government does not seem to have a clear idea of its direction. As several speakers have already pointed out, there are five different types of designated area in Canada. This cannot lead to adequate or proper planning. I agree it would have been better for the nation to have had a Canada development plan under an act, with adequate funds for development purposes. Then perhaps we could have proceeded along these lines in an orderly manner. I urge the minister to seriously consider the tremendous impact which the inclusion of tourism incentives in the Regional Development Incentives Act would have on all parts of Canada. I suggest that before the summer recess in June, the minister should bring in an amendment to make this part of the over-all plan.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, some nights ago I expressed my views on this measure. I

wish that in the intervening period, brief as it has been, something had been said which would have caused me to look with more favour upon the legislation than I did at an earlier stage when we were seized with it. Having given the most careful attention to what went on in various areas of consideration in committee and in the House, I find that nothing has happened which fundamentally changes my point of view. I concur heartily with my colleagues who have expressed regret that a piece of legislation so fundamental in import and so broad in scope should be tagged on at the end of a session with such a brief period for deliberation and debate. I think this is regrettable.

Much has been said of the disturbing hodgepodge in the realms of bureaucracy and the lack of clarity of administrative goals. People have quoted the criticisms by spokesmen for the Atlantic Provinces Economic Council. I believe that the term "administrative monstrosity" used by a spokesman of the Atlantic Provinces Economic Council has been used by a good many members. After careful reflection and after scrutinizing the measure, I believe that "administrative monstrosity" is not a hyperbolic expression.

• (5:00 p.m.)

This legislation indicates, of course, that the nation's economy is depressed. What is depressing is that we are coming to a stage at which, it must be admitted, programs designed to ameliorate or diminish the effects of regional disparity, or possibly eradicate them, have not been successful and in large part are being abandoned. Without question, the program has been diluted by the extension of the areas. Even without this dilution and diminution affecting the concentration of the regions concerned, we should have required a good deal of luck and a great, fortuitous knitting together of circumstances and events for the program to have proven efficacious. There has been clear and painful testimony about this in recent days from members of the House and from people in the regions most concerned, especially from the Atlantic region which probably, because of its history, knows more about the ills and iniquities of disparity than any other region.

We have already been told that Harry Flemming, executive director of the Atlantic Provinces Economic Council, testified the other day that the expansion program was in a state of chaos. He declared that the amended legislation would not work. He pointed out some of the sobering and chilling aspects of the whole program. Some have been mentioned by the hon. member for York South (Mr. Lewis) and other hon. members. I will not repeat them. Mr. Flemming said:

> If the administration of the present program is in such a state of chaos, how is DREE going to administer a broader program including Montreal and southeastern Ontario?

Mr. Coates: Mr. Speaker, would the hon. member permit a question?

Mr. Macquarrie: Certainly.

Mr. Coates: I wonder if the hon. gentleman is aware that the gentleman he has just mentioned, who is the executive director of the Atlantic Provinces Economic Council at the present time, was the Liberal candidate who opposed me in the last general election? What he said indicates that, from that point of view, both Liberals and Conservatives share the same attitudes in the Atlantic provinces.

Mr. Dinsdale: The same could be said about Manitoba, too.

Mr. Macquarrie: I am aware of what the hon. member has just said. I appreciate my colleague's reminding me that Mr. Flemming ran against him in the last election. Had he not been opposed by such a tough opponent as the present hon. member for Cumberland-Colchester North (Mr. Coates), he might have been in the House to say what he said so well before the committee the other day. I think there is very little disagreement in Atlantic Canada on the impact and import of this legislation. I think it is right that my colleague should have pointed this out by way of a carefully asked parliamentary question.

An hon. Member: They must have planned that one for hours.

Mr. Macquarrie: As an indication of what has happened to the program, let me say that now the name no longer means anything. If the whole country is involved, you can hardly call the program a regional matter. If we are told that conditions all across the country are bad, how can we talk about disparities? In my search for meanings, I consulted the two best dictionaries I possess. I wondered if the expression "DREE" had some meaning which would illustrate our difficulties. According to the Oxford Dictionary, page 658, dree means, among other things:

> To endure, undergo, suffer, bear (something burdensome, grievous, or painful).

I quote another definition. This one will readily be accepted by Maritimers:

> —to endure one's fate, suffer or submit to one's destiny.

It is this long range submission to our destiny that has disturbed the Atlantic provinces for lo these many years, for something like over a century.

Much has been said about what has been done for one region and what has been done for another. You know, Mr. Speaker, I have been thinking of a simple expression. Perhaps we are trying to rob Peter to pay Paul. We never succeed in paying Paul. I am, therefore, very doubtful about any benefits that would accrue to the new areas under this legislation. Perhaps we might adopt a more sanguine outlook if we could entertain the conviction that the new areas would benefit in terms of economic uplift and the provision of jobs, and if they were to be aided and assisted by the program. This conviction, I fear, I do not hold. As my friend, the hon. member for Brandon-Souris (Mr. Dinsdale) pointed out, many of this

country's difficulties are becoming worse and troubling the regions of the west, the regions of Atlantic Canada, and so on. He was quite right in pointing out some of these.

I have always maintained that it was totally unrealistic for the government to give to only one department the obligation of fighting the disadvantages which have fallen upon certain regions as a result of national policies. In the past, one department has had the responsibility for such programs, whereas all departments of government should be totally and eternally aware of our difficulties. In their administration and performance, they ought to take stock of all such situations. In the Atlantic region and in other parts of the country, governments have gone through the process of laying off people and cutting down their operations as a result of the nationally imposed austerity freeze. The people have walked out of their jobs and hoped they might find jobs in another department of government, a department such as the Department of Regional Economic Expansion. Yet very few jobs have been found, except for those who are themselves planners and bureaucrats.

The hon. member for Brandon-Souris has talked about postal matters. There has been a diminution in the economies of many communities and I agree with what he said about the changed approaches in those communities. One of the chronic difficulties of those areas at the extremities of the country has been in the field of transportation.

Mr. Dinsdale: That is quite right.

Mr. Macquarrie: Not a month, not a week goes by without someone crying out from a rural area, from the Atlantic area or from a western area, about some further cutbacks in transportation. The Prime Minister (Mr. Trudeau) has talked about selling Atlantic area goods to the northeastern United States. That is fine. We were doing that very well before confederation. We were prospering and so were they. Now, we want assistance to bring our goods to those potential markets; and concentration on improving our transportation facilities would be very much in order. Yet, instead of that, we find that the situation day after day becomes worse.

• (5:10 p.m.)

Our latest difficulty arises from the freight rate increase, and reference was made to that during the question period. There has been no other opportunity for members from Atlantic Canada to refer to it. I wish to quote from an article by Lyndon Watkins in today's *Globe and Mail:*

> Maritime potato producers are digging in for a determined battle with the railways over freight rate increases and sharply increased auxiliary charges which they say will add 70 per cent to transportation costs on export shipments through St. John and Halifax.

What is being done about this by the involved planning of the minister's department? An injustice is being inflicted upon the potato producers of two provinces of Atlantic Canada, the chief contributors toward agricultural income. It will be a serious blow to many people, not only those actively involved in agriculture, but those other citizens depending upon the success of those people. There should be a frontal attack by all departments of government on those aspects of national policy which make one region or another uniquely at a disadvantage because of these national policies. With all the powers that the minister has, even if he were as good as some people might think, he and his department could not cope with these problems. The whole government must be seized of them.

I do not enjoy being looked upon as a special pleader. We in the Maritimes grow a little weary about having to bring forward eternally for national consideration the problems with which we have to cope. However, for over a century we have had disadvantages against which we have had to struggle. Many of these have come as a result of uniting with the rest of the country. I think it can be said, without special pleading and without chauvinism, that we have never had our fair share of the fruits of federation. A very clear example can be seen by looking at the map of Canada in 1867. There was a union of four provinces at that time. They were not large provinces. A generation or so later two of the provinces had grown into vast structures. They extended northward and in one case westward. They became geographical giants and giants in other ways.

Other provinces were added. They were at first small and they grew. The province of the hon. member for Brandon-Souris (Mr. Dinsdale) was once the postage stamp province. The territories around these provinces were developed by united and confederated Canada. As the years went by, not one acre was added to the area of the two oldest provinces, Nova Scotia and New Brunswick. This also applies to Prince Edward Island. As new frontiers were opened, the three provinces by the sea were shut out of that particular kind of expansion. Therefore, we do not hesitate to say that we have rights.

We have reason to suggest to the federal government that the inequities which national policies have inflicted upon our region should be corrected by the only agency capable of doing this, the federal government. What we have before us is at best a palliative, at worst a weakening of the existing structure. Perhaps it is a well intentioned effort to improve the situation in the province of Quebec which, in economic terms, has apparently become far worse than many hon. members from that area expected. If they did expect it, they did not show the wisdom of their expectations. No one would hesitate to suggest that what injures Quebec also injures and affects all of us. I do not think the minister did his province, Parliament or himself a service by trying to create a division between Quebec and other parts of the country.

His suggestion that some of us, as we examined this legislation and spoke thereon, were anti-Quebec was most unworthy. It was a crude, ill-mannered interjection. There were times when the minister displayed some of the attributes of the once great minister in this House, Mr. C. D. Howe. While he may at times have his black disposition, I fear that he does not have his grey matter. It would not be well for him to emulate that man,

because I do not think he can do it. Even with all the powers of the minister, I still have reservations about the efficacy of this bill. I hope it will be more helpful than I think it will be. I wish the government had shown more perception and imagination when faced with great problems in Montreal and done something better than tinkering with the regional expansion legislation which, in an untinkered state, had not been very successful.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I participate in this debate with mixed feelings. I realize that this part of the session is limping to a close. There is a sort of curfew on how long members can participate in the debate on Bill C-205. This is one of the more important pieces of legislation to be dealt with by this Parliament. I do not say that because I represent an Atlantic area constituency, but because I am a federal legislator in the House of Commons. I recognize the fact that there is a curtailment of time and that members opposite, especially in the ministry, deserve a break. I think all members deserve a break, not because of what we have produced in this House, but because of the stress and strain that members of the cabinet had to sustain and suffer this fall. Hopefully, with this Christmas recess, we will be able to regenerate and return to do constructive work and perhaps avoid the type of bill that we are debating today.

One of my misgivings about this bill is its title, "An Act to amend the Regional Development Incentives Act". Some of what I say will obviously be repetitive. Some members opposite may think it is all repetitive. However, I wish to add a couple of thoughts to the pot, not in the hope that there will be a great conversion of the minister on the road to Damascus or that there will be any change in the substance of the bill, but when the next session of this Parliament commences and the problems still exist throughout Canada on a regional basis perhaps we will appreciate the folly of our ways in approving Bill C-205.

I protest Bill C-205, not because of a parochial or provincial interest, but because the very title of the bill is a misnomer. While this is a bill to amend the The Regional Development Incentives Act, as a result of the regulations the minister is going to pronounce following the passage of this bill, it will no longer be a regional act. It will, in fact, be a national development incentives act. Every member of the House should be aware of what is taking place, what is going on. I must say I listened with a great deal of respect to the hon. member for Hillsborough (Mr. Macquarrie) and to the hon. member for St. John's East (Mr. McGrath), who led the Conservative group in the deliberations before the committee and who contributed in a most constructive way this afternoon. My hon. friend from Hillsborough talked more in a historical perspective.

• (5:20 p.m.)

I shall not belabour the obvious problems of the Atlantic area or the problems of the Gaspé area or the problems of certain parts of the Prairies. Before these amendments came before Your Honour, these were the regions of economic disparity which could look to a federal government for unique assistance in a most enlightened way. I shall not belabour the past in that way but I have been somewhat surprised by the vacuum of silence on the part of members from other parts of Canada who have made no contribution either plus or minus on Bill C-205. If I were a government member from Ontario, and there are a good many of them, I would be more concerned about the implications of this bill than I am as a member from the Atlantic area.

I suggest to you, Mr. Speaker, that except for some members on the opposite side who were on the committee dealing with regional economic expansion, not too many appreciate what is being done by this bill. Industry in, say, Ontario, will now be competing with industry across the boundary in Quebec. On one side of the boundary there will be a 25 per cent incentive, which was the amount under the old act, because of regional disparity, but as a result of this amendment there will be either a 25 per cent or a 10 per cent incentive depending on whether the industry is in Montreal or St. Jean or nearer the Ontario border. The effect of this three-tier incentive program which the minister has proposed to stimulate activity in some areas which have experienced unfortunate difficulties in the last few months and in the last few years, combined with the 25 per cent grant which presently exists under the old bill and the 10 per cent which the Atlantic area is to get making a 35 per cent set-up, will be to create potentially serious problems for any organized industrial expansion in any part of the country.

The only explanation which comes to my mind for the lack of contributions from members from all parts of the country, not just from an area of economic disparity be it the Atlantic area or not, is the restriction on time. For the purpose of the record, because this has been referred to in a general way, I want to outline the unconscionable haste with which this bill has moved from first reading on December 4, which as Your Honour knows is just a formality, see to the second reading debate on December 10. Then, for the first time, between 3.40 p.m. and 5 o'clock, it was debated for an hour and twenty minutes and between 8 p.m. and 10 p.m. for two hours. On Friday, December 11, this bill was debated for another hour and twenty minutes in the morning and another two hours in the afternoon. On Monday, December 14, it was finally referred to a committee after being debated for a grand total of one hour. In total, up to today, seven hours and forty minutes have been spent on a bill which I suggest to all members of this House affects all regions of this country.

While the catalyst, with the utmost sincerity of the minister and his advisers, was special problems and unique situations in Quebec and Montreal, the full ramifications of this bill affect this nation from coast to coast. I suggest what I have outlined is a sad commentary on the House of Commons. Many people outside this august chamber wonder how relevant we are, and how realistic our debates are, when a bill which is fundamental to the industrial and economic fabric of this land has been considered for only seven hours and forty

minutes in this House. Of course, we all know it was discussed in committee, and it did receive three or four days of rather strenuous sessions of committee debate. But committee debate does not as yet, with the facilities that we have to propagate propaganda or policies, call it what you will, generate public interest. It might be just coincidence.

The minister states there is necessity for almost a brevity of debate because these proposals are supposed to be implemented on January 1. But I suggest, Mr. Speaker, if the situation is as fundamental and serious as the minister told us in committee, then it is certainly a sad reflection on the planning of his department that this bill comes to this House in the dying days of this part of the session after receiving a grand total of seven hours and forty minutes of House debate. How does the country even appreciate it, as other members have said? How can people begin to study the implications? Certainly, until we got into committee I suggest that at least half the members of the Regional Economic Expansion committee did not really fully appreciate what was going on.

I want to deal, Mr. Speaker, with this bill in a relatively short period of time, but I shall not apoligize for taking my full time for the reasons I have just stated. I shall express my views on the basis of the principle of the bill as I see it, and the problems of the bill and I shall be covering many of the areas that have been very well documented by other members so I shall be brief. And I shall make a prophecy about this bill which, I suggest, whether it is right or wrong, should be at least stated so that we do not live in the unreal world in which we so often find ourselves in the House of Commons because we are afraid to say what we all talk about behind the curtains. We are not supposed to say these things on the floor of the House because they might offend sensibilities or be misinterpreted. As far as I am concerned, I am getting so fed up about the danger of being misinterpreted that I think arteriosclerosis is inhibiting the positive, frank point of view often expressed by all members of the House. And I am as much at fault in that respect as anybody.

But coming to the principle of the bill, there is no doubt, and I want to make this most clear, we all support the objective and hope it is achieved. The minister, perhaps in the emotion and excitement of second reading when he was a little impatient, made some most unfortunate suggestions about my hon. friend from Hillsborough who has contributed, as far as I am concerned, in a most positive way to a true one Canada regardless of how we all define it. This was most unfortunate. However, as I said in the beginning, I understand and sympathize with the minister, especially since he has been under abnormal stress and strain. Let us hope we get out of this place so that the minister, who is a pretty fine fellow although politically I am pretty apprehensive of him, will not, perhaps, say things that he will regret. But as far as the principle of this bill is concerned, if the principle is to help the needy and substitute some hope for hunger or to employ the unemployed or to give a lift to a lagging economy, obviously there is not a member of the House who is not all hosannahs for the bill.

• (5:30 p.m.)

If the hon. member for Calgary South (Mr. Mahoney) wants to contribute anything to this debate besides the seat of his pants, then I would be only too happy to hear what he has to say. But I will not be interrupted by a man who usually speaks when his brain is in his seat.

Mr. Mahoney: Would the hon. member permit a question either now or at the conclusion of his remarks?

Mr. Nowlan: I will permit one now.

Mr. Mahoney: The hon. member made a great deal about the debate being short. Would he care to indicate whether he was in his seat when unanimous consent to this procedure was given?

Mr. Nowlan: I do not quite follow the hon. member's question.

Mr. Lundrigan: What do you mean by that nonsense?

Mr. Nowlan: I think the question is irrelevant, Mr. Speaker.

Mr. Lundrigan: It is also pretty small.

Mr. Nowlan: In any event, it has nothing to do with the merits of the bill. Since the hon. member for Calgary South wants to entertain some idiocies, let me transgress for a moment and get just a little bit political. Let me point out the paradox in which this chamber now finds itself. The government ran an election campaign on two mains planks, one of which was elimination of regional economic disparity. In this bill the government are eliminating regional economic disparity and substituting national economic development. National economic development may be fine and we are all for it, but they must remember that there are precise and chronic problems in regions that do not enjoy the full economic growth that some areas enjoy.

In the last election campaign, the government ran under the banner of one Canada and the elimination of regional economic disparity. The hon. member for Calgary South—and when he runs again in the next election campaign we will see whether he will still have his seat in this House—is supporting a government that no longer preaches the platitude of one Canada but is now dividing Canada, in effect, into have and have-not areas.

By expanding the designated areas, the bill is now including half of Canada within such areas, the other half remaining outside. This is a pretty ironic commentary on the political life of this country. The Prime Minister (Mr. Trudeau) claimed during the last election campaign that he had the answer to the provincial and perennial question of the two solitudes. The two solitudes of the past have now become the economic solitudes of the present.

In addition to converting regional economic policy with long-term goals into cyclical unemployment policies of

short-term duration, the bill is placing the future growth and industrial fabric of the land in the hands of one man, namely the Minister of Regional Economic Expansion. No matter how wise, rational or benevolent is the minister, he has all the frailties and failings of a human being. I suggest this is the important difference between the original regional incentives bill and Bill C-205 that is now amending the act.

Under the government reorganization bill that created the minister's department, the minister was given discretion over which applications to allow and how much money to grant those applicants. However, under the regulations passed pursuant to the bill the authority and discretion of the minister was restricted to areas of economic disparity. I suggest that the timeless problems in these well demarcated areas of economic disparity helped to dilute and to define the unlimited discretion of the minister. As the hon. member for York South (Mr. Lewis) and other members have said, these pockets of disparity can be pinpointed on the map. This bill is now extending the boundaries of the designated areas to include part of the industrial heartland of Canada. In effect, the minister is being given unlimited discretion effectively to direct the placement of new industry in more than half of Canada, and to define what is to be the expansion of existing industry.

I suggest that the effect of any decision that the minister might make will last for a longer time than any restriction that is imposed upon him in the bill. His signature to any application for assistance will survive any member of this House. As a parliamentarian this is the basic issue here, the arbitrary, unfettered and unrestricted discretion that is now being given to the minister, albeit for the most laudable objectives.

Reference was made earlier to Mr. Howe, who was also a noted economic expansionist and industrialist, a man who obviously did a lot to develop the economy of Canada. It was not too many years ago that he asked "What's a million?". I suggest that Mr. Howe was being prophetic, because "what's a million?" is pretty irrelevant in terms of the millions that this minister will have at his disposal and direction in order to help stimulate and expand industry in new areas of the country including, as I say, a large part of the industrial heartland of Canada. This issue here is whether any minister who has been elected to legislate should be able to dictate so effectively the future course of the economic development of this country. This is my objection to this bill.

Another issue which has been hit upon by hon. members who have spoken is the question whether a regional development program should be a policy for curing cyclical unemployment; whether long range plans should be merged into short run priorities, or whether the permanent solution of problems in areas of regional economic disparity should be diluted, perhaps even destroyed, by bypassing problems of admittedly critical importance but hopefully only of a temporary nature; whether in this bill the chronically ill parts of the country will not become even sicker, notwithstanding that there is a crisis in Canada in areas that have been geographically defined. I do not want to misquote the minister, but he said he wanted a 15-year program. He said he did not want measures of expediency, yet we have them in this bill. I suggest he will have to exercise the wisdom of Solomon in the administration of his proposed cure in order to prevent the spawning of increased stresses and strains to the fabric of this nation.

• (5:40 p.m.)

Basically, what is proposed is the concept of arbitrary discretion to deal with long-term regional development programs and long-term social and employment objectives. I do not want to repeat what has been said about the specific problems, and I am sure that will make many hon. members happy. I would like to believe that this bill is senseless, because if it is my fears would not be justified. I think there is something hidden in it.

Undoubtedly there will be administrative problems. When Professor Brewis testified before the committee he outlined the types of selective assistance available at different levels, 10 per cent, 25 per cent and 35 per cent, depending on the area. I suggest the problems we have in respect of regional development and national economic development will be compounded by this bill. If anything this bill takes on the aspect of a Trojan horse. It may be that many people in the country will look at this measure as the Trojan horse was looked upon. We all recall that the Trojan horse was inhabited by soldiers and when these people realize the enemies inherrent in this bill they will then know its potential for inhibiting production. In many aspects, this bill is just as deceptive as the Trojan horse.

Professor Brewis also suggested this measure would not create jobs, as the minister suggests. He refers to the budget of the Minister of Finance (Mr. Benson) and the $130 million to be used in this regard. He also mentioned the cost of $5,000 per job under the DREE program. This man is a professor who has written many books on regional economic disparity. He suggests that if you use the $130 million at an estimated rate of $5,000 per job, these incentives will create a potential of between 25,000 and 30,000 jobs. We all know that we have between 600,000 and 700,000 unemployed at the present time.

I should like to know where special incentives should be made available. If we believe the minister, this provision in the bill is supposed to stimulate growth. Where is this growth to be stimulated. Does it provide incentives to attract existing industry interested in locating in Canada. This is a factor which bothers me, having regard to the Atlantic provinces. It would also bother me if I lived in Ontario.

These incentives must be held out to attract industry to newly designated areas. The amount in relation to Montreal and other areas is 10 per cent. That might be sufficient to attract some industries to locate in those areas rather than in other parts of the country. We must keep in mind the differential involved, because 10 per cent in respect of a large industry likely to locate in the Montreal area is much different from 35 per cent in respect of a small industry locating in another designated area.

On December 8 the Prime Minister made a speech in Saint John, New Brunswick. On page 5 of his press release he refers to the potential markets in New England for manufactured goods from the Atlantic Provinces. Let me quote from this press release as follows:

> Industry is now coming to New Brunswick and to the Atlantic provinces. It is attracted in part by the availability of resources, of transportation, of a skilled labour force, and in part by the government incentives such as those offered by the federal department of Regional Economic Expansion.

It then reads:

> As it comes, those factors that I have mentioned should be taken into account to ensure a long-range, healthy type of development.

As I mentioned earlier, the special incentives set up in Bill C-205 may very well have a counter effect to that which the Prime Minister had in mind three or four days before this bill was placed before this House for second reading. It might be that in St. Jean, Quebec, you would have greater access to the New England market for manufactured goods than you would have in Saint John, New Brunswick, because this 10 per cent incentive for designated areas is very deceptive.

We heard evidence before the committee that during the existence of this measure some 400 applications had been made, but that only six applicants had received the maximum grant. I understand three of those were in New Brunswick, one in Prince Edward Island, one in Quebec and one in Saskatchewan. There was an indication in the press release that the Atlantic area was to receive the same 10 per cent incentive as the designated area around Montreal. In this regard, there will also be a ministerial discretion. When you consider these things, together with the fact that a maximum grant has only been given to six applicants during the history of this measure, it does not require a complicated computer to realize that the 10 per cent incentive in a heavily populated area will have a much greater effect than a 35 per cent grant to a small company in the Atlantic area.

When the minister appeared before the committee, he indicated he wanted to balance that which was being granted new areas with what had previously been offered in the Atlantic areas. I do not read in any ulterior motives, but the fact is that only six applicants have received the full grant. It is deceptive and highly illusionary to suggest that the 10 per cent to newly designated areas will be offset by the same 10 per cent in the Atlantic area.

It should be obvious that industry of greater magnitude will establish in Montreal and other heavily populated areas in the industrial heartland of this country. A maximum grant of 35 per cent for a smaller plant in a smaller populated area will not be equivalent to a 10 per cent grant to a bigger industry in these populated areas. A great deal will depend on how the minister exercises his discretion. If he is not careful, he could effectively stifle new industry in the Atlantic area and smother existing industry. In this way this measure would run completely counter to the direction the Prime Minister mentioned four days after this bill was given first reading and just before it was presented to the House for second reading. I wonder whether these two ministers ever got together in this regard. The Prime Minister may have been sincere in the speech he made in Saint John, but what he suggested was almost as deceptive as some parts of this bill.

There are other specific problems I could mention, but the government has decided in its wisdom to take this course in helping those areas which need special help. They will have to live with it.

• (5:50 p.m.)

Then, we have my prophecy in respect of this bill. This is my third, perhaps my shortest but more serious point. I still believe, no matter whether the minister be a Conservative, a Liberal, an NDP or of what political stripe, he should not have the unfettered discretion this bill would give him, although for the most laudable objective. Fortunately, the minister did acquiesce in the committee and agree that there shall be a council to sort of supervise the administration of the act. We will be most interested to see what form that council takes, because we know it will not have a legislative effect but only an effect after the fact. However, I would not wish to be in the minister's shoes with the discretion he will have. It is a fantastic commentary on the evolution of politics, at a time when governments delegate authority to delegate authority, that there has not been an expression on this question of the delegation of the appropriate power. I am sure the minister will try to exercise this power most sincerely. But if I were a political animal in any part of the country, which I am, I would be exposed to and involved in almost unnatural pressures to put my signature to an application in my area, or if I were from British Columbia to an application for that area, in respect of the particular problems which arise.

I am amazed that there has not been more of a complaint, because the new designated areas remove part of the restriction we had before. The minister, and any minister, obviously had to look at the facts of life before he granted or disapproved a loan. The history of the economy of a particular area would, in large measure, indicate whether or not a prospective industry would be a viable industry. But when a minister begins exercising discretionary power in half of this country, and particularly in the industrial heartland, it is an entirely different matter.

The other point of principle was the question of the mixture of long-term development or regional policies now being instituted, diluted and/or destroyed by short-term cyclical policies. But the principle of this bill again contains a sort of an irony. Again this should involve and interest all members of this House. A government which campaigned and won a strong mandate on the one-Canada theme not too long ago, and which at federal-provincial conferences has been completely against any form of special status anywhere, has by this bill, again for laudable objectives, sought to give special status to one-half of Canada. I suggest it is thereby making two Canadas.

Although it is passing strange—and perhaps if it were not so serious I could be more humorous about it—I suggest we will be faced with Bill C-205, amendments to Bill C-205 and amendments to other bills to help particular parts of this country. While it might be Quebec and Montreal today, it could be another part of the country tomorrow, unless this ministry starts to get tuned into the times and develops some viable constitutional policies which reflect the realities of this land. This is just a patch work job at best. How soon will it be before the Canadian people start to ask us if we are to provide particular funds to help particular parts of the country for various constitutional purposes. That is part of the gut issue in a bill that is anonymously called, an act to amend the Regional Development Incentives Act. We know we cannot continue in this unreal world much longer. We are not all the same. I am glad the minister is sponsoring this bill because if we can have the economic two Canadas which this bill would establish, then surely the minister would have some flexibility in respect of his dealings with his great friend and colleague the Prime Minister of this land.

Perhaps the minister could persuade the Prime Minister to adopt some flexibility in his constitutional stance, so that instead of having repeated constitutional discussions that accomplish nothing we could start to have the give and take of ideas that would reflect the realities of the land and our regional differences. I am not speaking about French or English and/or third force, but that is part of it. I say we are living in a dreamland if we believe this country is all the same. Quebec is different, and thank God it is different in so many ways. But let us not have this smokescreen that has polluted constitutional discussions, because unless we start to wake up and face reality we will have more bills such as Bill C-205. Surely, if the minister can set a precedent and, in effect, set up two Canadas economically, he can go to the Prime Minister and suggest that the Prime Minister be a little more flexible. I am not talking about a constitutional two Canadas, special status, associate status or deux nation. The good old Postmaster General can smile, Mr. Speaker. He may be smiling because he wished us all Christmas cheer and because there is to be a six-day delivery; thank God. But I suggest that so long as we legislators continue the sterile and puerile debate on semantic differences in respect of what we need in our constitution, we will be faced with the hard realities of provision such as we have in Bill C-205.

If there is any message which I would hope the minister would get from this debate, in view of all the apprehension I have about the principle of this bill, I would hope it would be to take the precedent which has been established by this bill to the constitutional discussions so that we could have some progress there.

Mr. Speaker: Order, please. It being six o'clock, pursuant to special order adopted by the House earlier today, the House will now rise to resume its work at seven o'clock.

At six o'clock the House took recess.

23568—70

AFTER RECESS

The House resumed at 7 p.m.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we are debating amendments to the Regional Development Incentives Act. In other days when Canada was not plagued with such serious economic difficulties, the minister seemed to have a much more realistic concept of what he hoped to accomplish with this act. In Halifax in October of 1968 the minister said the following about the purpose of the Regional Development Incentives Act:

> So let me emphasize my first principle. It is that we will not offer short-run expediency or long-run vagueness. We want to have constructive, practical, medium-length plans. We are going to plan for every possible effort for 15 years.

At that time the minister was proposing a plan which would help the slow-growth areas of this country which are in need. It was obvious then, and it is even more obvious today, that in the ordinary run of events—I am thinking in terms of the market economy—the slow-growth areas would not and could not get the kind of industry and economic development which they require to use their raw materials and human resources.

Therefore, since one could not expect private industry to go into those slow-growth areas because it could do much better in the golden triangle of Toronto, Hamilton and Windsor and in the Montreal and Vancouver areas, the Maritimes, eastern Quebec, eastern Ontario and parts of Manitoba simply could not do without the kind of programs which were proposed under the Reginal Development Incentives Act. But now we have a different situation from that of October, 1968, when the minister made those remarks which I quoted. Today we are faced with major unemployment. There are almost 500,000 unemployed and by February, 1971, the figure will probably rise to 800,000. Almost 40 per cent of that figure, Mr. Speaker, is concentrated in the province of Quebec.

• (7:10 p.m.)

When the minister suggests that members of this House from any party who criticize this bill and the proposals he is making, do so because they are anti-Quebec, he is not only being unfair but is doing a disservice to that province. I think it is fair to say that there is no Member of Parliament who does not realize that the problems of Quebec are so serious, with the unemployment and poverty there, that they must be solved. Unless they are solved, this country will not survive.

Mr. Caccia: I wonder when—

Mr. Orlikow: Mr. Speaker, the backbenchers who are only here to vote when their fuehrer or leader tells them to—

Some hon. Members: Oh, oh!

Mr. Orlikow: —do not need to object as the hon. member for Davenport (Mr. Caccia) is endeavouring to do. If he wants to speak, he can do so later. I do not think I have taken very much time and I do not need any

lectures from him as to when I should speak, or for how long.

The problem of unemployment is of such importance that the country demands that major efforts be made. The expenditure of the $130 million which the Minister of Finance (Mr. Benson) mentioned in his budget speech will not solve the problems of Canada or the unemployment problems of Quebec. The estimate of the department, which I think is too conservative, is that it costs $5,000 to provide one job under this program, so the total number of jobs we can expect to find is 26,000. Two months from now we will be faced with something like 200,000 people out of work. This unemployment is to a large extent due to the economic and fiscal programs adopted by the government on the advice of its top civil servants in the Bank of Canada and the Department of Finance. The government decided that restraint was necessary so they put on the economic brakes and created unemployment. It is true that this year the increase in the cost of living has been lower than usual, but it has inevitably led to an increase in unemployment. The minister should have known that this would be a consequence in light of his background in the labour movement.

Having created unemployment on the one hand, on the other the government expects to meet some of the resultant problems with this program. But, Mr. Speaker, as I have already said, this bill and its proposals are too little and too late. In the department, in the legislation and in the administration there are very serious defects. The minister is probably the only person who knows anything about this department but he does not realize the difficulties. Some of the best people in the department, those who had the senior positions, have left. That is not an accident, Mr. Speaker. They left because the department and its programs have changed from being people-oriented, being concerned with the needs of the people they supposedly aim to help, and have become almost entirely industry-oriented. I have talked to some of these people and I gather that they feel the department and the minister are now prepared to accept any type of growth, no matter whether it hurts the community concerned.

Let me illustrate briefly what I mean, Mr. Speaker. We have the ARDA and FRED programs, but what is their purpose? It is to rationalize the agricultural industry in the areas in which they are being instituted and to consolidate farms into economic units. These are worthwhile and laudable objectives. But as far as I can see, no plans have been made to encourage farmers to leave the farm. Instead of being the rural poor, they will become the city poor, living on welfare. So far that is the only progress I can see as a result of the ARDA and FRED programs.

The department is providing incentives to industry but it does not seem to be concerned about how these are used. It certainly does not seem to be concerned about what type of employment is created. Under one of the earlier programs the government of Canada participated with the former government of Manitoba in the establishment of a pulp and paper industry at Le Pas—Churchill Forest Industries. I am not going into detail about how much was contributed in grants and subsidies and how little the owners, the believers in free enterprise, contributed of their own capital. But it is obvious, Mr. Speaker, that no provision was made by the department which put up the money, the Department of Indian Affairs and Northern Development, to apply pressure on the owners to employ the people who live in that area. There are virtually no Indians employed with Churchill Forest Industries at Le Pas. This is another valid criticism which can and must be made of the program which this government has devised.

Mr. Speaker, I was not a member of the committee but I had an opportunity to speak to some of the members of the Atlantic Provinces Economic Council a few days ago. I tell the minister that from them I got the impression that they could see no consistent, well thought-out program in the minister's statements or his answers to questions which would indicate that the government has any real plan on how to use the Regional Development Incentives Act.

As I said earlier, those who have criticized the present legislation support the idea that a special effort must be made to create more employment in the province of Quebec. But when the government and the minister bring in proposals which have the effect of making more than half the total land area of Canada eligible for assistance under a Regional Development Incentives Act, they destroy the whole point of an act designed to help slow-growth areas.

• (7:20 p.m.)

If the minister is not concerned about the kind of comments, criticisms and suggestions made by people who appeared before the committee, people such as Professor Brewis, I do not know what one can do. Professor Brewis' comments about the program are so important and so crucial to any kind of success that it seems to me the minister is under an obligation to explain to the House where Professor Brewis was wrong, if he was wrong. I wish to quote a couple of paragraphs from the material Professor Brewis supplied to members of the House who were interested in his comments. He said:

> The increase in the number of designated areas of one sort and another will almost certainly lead to action by provincial governments to include still other areas. The Saskatchewan government, for example, offers aid to firms outside the federally assisted areas. I suspect moreover that some provincial governments will become increasingly critical of federal policies of regional development.

Because we do not have a well thought-out federal plan which has been co-ordinated with the provinces, we are witnessing a kind of bargain basement sale. Every province, and certainly every have-not province, is busy with its own incentive plan. Each province bids against the others in the hope that industry will be encouraged to come to it and not to any other. I am thinking of the concessions made in Newfoundland. In particular, I am thinking of the oil refinery.

Mr. McGrath: That was a give-away.

Mr. Orlikow: That was a steal. The people of Newfoundland have been stolen blind. I am also thinking of the concessions made in Nova Scotia. I am thinking of the heavy water plant and of the Clairtone plant. I am also thinking of the Churchill Forest Industries project in Manitoba about which I spoke earlier.

I am not an ardent supporter of our so-called free enterprise system. I suggest to hon. members that no government, whether federal or provincial, should give away money without first taking the most elementary precautions. Just look at the article which appeared in the *Financial Post*. It shows how governments, federal and provincial, have given away tremendous amounts of money. Large concessions have been made in the province of Manitoba in respect of cutting wood, and so on, and the government has not received anything in return. The so-called owners have not put up any of their own money.

Professor Brewis says that if we accept the figures of the Minister of Finance who said that $130 million would be spent on this program, and if we assume that it takes $5,000 worth of incentives grants to create one job, which has been our past experience, we shall create between 25,000 and 30,000 jobs as a result of these incentive grants. I said earlier that we face the prospect of between 600,000 and 800,000 people being unemployed in the next three or four months. The results of the program will be pretty marginal. The massive changes will not come about as a result of this legislation about which we have been talking for the past couple of years.

Professor Brewis said:

> The job facing DREE to effect the long-run economic structural changes which are necessary in the lagging regions is big ... and complicated enough without saddling the department with additional and largely unrelated responsibilities.

That is precisely what will happen as a result of the changes which the minister is proposing in this legislation. There are other ways of reducing massive unemployment which do not involve what the government proposes under this legislation. A housing program, Mr. Speaker, particularly for people in the low-income bracket, would provide jobs more quickly than would be provided by this program.

We believe this bill has moved away from the concept the minister proposed several years ago. That concept had a great deal of merit and we supported it. It concentrated on growth points or centres. There is now no indication as to how the department will decide the merits of a proposal made to it. So far as we can tell, it will be done in an ad hoc, almost accidental manner. This will not achieve the results we have a right to expect. Such a course of action will inevitably or will seem to lead to political manipulation. After all, those who will not receive money—and the money will be limited—will say, whether they are justified in saying so or not, that they did not receive the money because there was someone closer to the minister whom he wanted to help.

Unless he lays down clear and specific guidelines and principles on how this program is to operate, the minister and the government will face endless trouble. This bill will be meaningless unless greater financial resources of the federal government are allocated for fighting the problem of regional development. When you talk about spending $100 million or $150 million on stimulating the economy when you should spend about $1 billion, you will not accomplish very much.

We object very strenuously to any government simply giving away money. If we are to operate under the free enterprise system, and if free enterprise is to continue those who enter such enterprises should be prepared to put up the money themselves. After all, they will make any profit which is to be made. They go into business because they expect to make a profit. They do not go into business—I am not being critical because, after all, this is an economic fact of life—if they do not expect to make a profit. We are not talking about small grants. We are not talking in terms of thousands or even tens of thousands of dollars. We are talking of individual grants running into millions of dollars. We are talking about grants, loans and subventions which will make up one-third or more of the total cost of a project.

How does this sort of program operate? I think the answer is perfectly obvious. I again refer to the CFI project in Manitoba. In that project the federal and provincial governments put up the bulk of the money. I do not think the industry concerned put up any money. Under that sort of system it is like saying, "Heads you win, tails we lose." If the grant is made available and the enterprise is successful, the loan will be paid back. Usually such money is lent at a subsidized rate of interest. The loan will be repaid and the owners will make the profit.

The *Financial Post* is skeptical about any prospect of success for the venture at Le Pas. I am skeptical about the success of many of the projects undertaken in other parts of the country. Let me put it this way. If the chances of success were good, private enterprise would have gone in without the government's support in the first place. If the enterprise is a failure, to a large extent the money lost will be at the expense of the people of Canada; it will consist of grants and loans which have come from government sources. One does not need to be a revolutionary to say that if the government of Canada is to become involved in projects—I think we should become involved in more of these, and not fewer—in slow-growth areas, it should do so to a very large extent through the provision of equity capital.

• (7:30 p.m.)

If a project is a failure, we will not lose any more than under the present system of loans and grants. On the other hand, if the project is a success, Canadians will benefit from the equity which they have in the concern to which they have made the loan. This is something which even this government, conservative as it is, ought to give serious consideration. In my opinion, the major defect in this bill is that it does not provide for any overall comprehensive development plan. It does not provide for the development of plans by co-operation between the federal and provincial governments. This has been one of the defects in the program of regional

development since its inception. What happens is that competition develops between the provinces and the municipalities. This is bad for all concerned. Each is forced to offer more and more in the way of incentives, almost bribes, in the hope that they will attract industries which will provide jobs. In the process, they are faced with the tremendous financial responsibility of providing schools, roads, and sewer and water facilities which are necessary for industries in a modern society. It is also necessary to provide housing for the people concerned. This program is industry oriented. It fails to provide for the infrastructure which enables the provinces and municipalities to supply the services required by industry.

We would support this or any other government which made proposals to improve living conditions and produce jobs at adequate wages for the large number of Canadians who are either unemployed or underemployed. We would support this kind of a program. However, the minister and his department have made a hodge-podge of it. They have diluted and subverted it to such an extent that it is not possible for members on this side of the House to support this proposal.

Mr. J. M. Forrestall (Dartmouth-Halifax-East): Mr. Speaker, during the last few days the members of this House and the members of the Standing Committee on Regional Development have been dealing with a measure which has changed the direction of the basic thrust of government policy with respect to economic disparity in some regions of Canada. I wish to address a very few remarks on that point this evening. The arguments I wish to make are simple. They are based on the premise that there are regions in Canada that not only suffer from disparity when compared with the rest of the country but have particular disparities in their areas.

Some time ago the government embarked on what we understood to be a long range program aimed at the infrastructure. It was to overcome the disparity that existed and provide a greater share of the national prosperity for those regions. We recognized that there was disparity and devised a program to attack it. The program has failed. I can say that forcibly, simply, and with the contempt that the change of direction deserves. This would not change the basic fact that the programs designed to date have failed.

We placed a fair amount of hope in DREE, the regional attack on disparity. Many of us shelved what we in our wisdom thought to be a more appropriate approach, the constitutional approach, which would have given us the instruments to help ourselves. We were prepared to give the government a chance to see what it could do. We did so because we trusted the minister and the government. At the time we shared to some extent his enthusiasm. We have been let down because the program has not worked. For one reason or another, the minister has admitted that it will not work.

The amendment to the bill emphasizes the need for regional policies. We need policies for those regions in Canada affected by disparity, not policies to be in effect for 18 months or 2 years but for the long haul. In other words, we have to know where we stand from political whim to political whim. It was my position that the regional policy would be the instrument that we needed to overcome these difficulties. We have tried the mockery of ad hoc approaches to regional development, but we have failed.

It is time that the people from the Atlantic provinces faced up to one or two basic facts. Policies born in central Canada are born without a damn for the economic condition and the plight of the Atlantic provinces. This has been true for 200 years. A review of the financial history of Canada will reveal that central and western Canada found the capital they required and the surplus deposits built up between the mid 1700's and the early 1900's in the Atlantic provinces. Those of us in the Atlantic provinces recognize quite readily what happened to some of these surplus deposits.

• (7:40 p.m.)

In other words, for 100 years and perhaps for the better part of 200 years, there was no apology from the rest of Canada when our surplus deposits were drawn off for the development of the central regions. Now, in the middle of the 20th Century and particularly in the past 30 years, it has become apparent that the atlantic area is not able to keep abreast of the rapidly expanding central part of the country largely because of the central policies of successive governments. I shall not tar any particular government for this but, rather refer to governments generally. The effect has been recognized, I think, and I would hope by people who are seriously concerned about the plight of the Atlantic provinces. I repeat, I believe it is time we began to stop complaining bitterly about ad hoc measures and attempts to resolve the problems from time to time by governments which are oriented toward central Canada, and started making our own case for regional policies which would permit us to have our own banking institutions, which would allow us a far greater control over the fiscal and monetary policy of this country. This would be particularly useful with respect to national policies when, from time to time, the government deemed it necessary to implement measures to restrain or stimulate the economy.

It is in this area that we have felt our greatest wounds in recent years. We need changes in the tax incentive field. We need changes in the application of brakes on the economy that are bought from time to time by the Minister of Finance (Mr. Benson). In other words, we need some control over our regional financial destiny. We need a return to some civilized human respect for the problems that we face. It is obvious, Mr. Speaker, when anybody bothers to look at this bill, that what we are really talking about are the terms of our own protection. I grant the minister is concerned and I do not say that he is not concerned. I just think he is so preoccupied with other problems that the problems of the Atlantic provinces rate about 34th or 35th in the back of his mind. What I object to really is that perhaps because of this we keep being faced with subterfuge, if you will, by indul-

gence, and then when we catch them out, when we discover that they are a little bit off base, they are quite prepared to run around and do something. They are quite prepared to throw us the scraps off the table, anything is good enough.

We feel, Mr. Speaker, and there is nothing really complicated about it; we are falling behind the national economy. The minister knows this. The government knows it. But they just don't seem to give a damn. They do not seem to care. It doesn't seem to matter that our nation will not grow and remain unified as long as we have this disparity, as long as we have this casual attitude of saying, whenever pressure is brought to bear: Do something for them but don't go quite so far that we cannot change it in the event that something happens to begin to upset the delicate balance here in Ontario. At the risk of being accused of being anti-Quebec, I just cannot understand why the government does not stand up and say Quebec needs a few billion dollars. Does the minister, does the government, think that the people of Canada are not aware of some of the problems in Quebec or are scared to put the national economy to work with respect to solving these problems. Of course, the government does not pay too much attention to this. It is very obvious that they do not. All that I can effectively see, in this whole exercise, is that the government is recognizing the requirement of certain of the regions of the Province of Quebec and has sought to overcome them. This is commendable. I support this. The more openly they go about it, the more I support it.

But in the doing of this, Mr. Speaker, they have sought to find a political balance in the country, the political balance which they imagined was required. It was not a political balance, or the necessity for a political balance, which existed in the minds of Canadians from British Columbia to St John's, Newfoundland; it did not exist there, it existed in the minds of the government. So they embarked on this course. They thought: We will do what has to be done in Quebec and we will use the Maritimes to balance it out politically. But the massive amount of aid which has to go into Quebec could not be matched by any program the government could discern or develop in the Atlantic provinces. At least the caucus over there sounds very happy. Maybe they could come in and entertain us.

An hon. Member: That's television over there.

Mr. Forrestall: Television, is it? There was no need for the balance which the government imagined. The people were prepared to pay this price. But simply because the government could not accept it it seems to me they thought: Well, we have to move into the heartland of the country, into great industrial Ontario. Maybe there we can find the type of political balance we need to offset the fact we have to go into Montreal. I say it is sheer stupidity and means absolutely nothing. Our party, I hope, Mr. Speaker, does not believe that there is one federal strategy, that there is one national policy which will make this country healthy and strong. I hope our party does not believe there is one region or two regions in Canada, the Quebec region and the rest of Canada. I hope I belong to a party which understands that there are economic problems in this country, that I belong to a party which would not use the tools of subterfuge in an attempt to overcome them. I hope I belong to a party which will stick to a policy once enunciated and not roam all over the countryside trying to find political justification for their imagined needs in meeting cyclical difficulties and problems. The people of Canada are quite prepared to accept this, and anyone who denies this underestimates the desire of Canadians to remain as one country.

I do not believe there is one strategy or one program for development. Indeed, I believe very firmly, and I hope the party to which I belong believes very firmly, in the principle of multiple strategy. I hope my party believes in a multiplicity of programs in respect of the regional development of our country and the development of a strong national economy. The present government should follow its supporters out in the lobby, who are harmonizing their Christmas carols, and harmonize its attitudes in Canada. Let the government stop misleading those regions of Canada that need strength and help from the national economy.

• (7:50 p.m.)

Mr. Bell: They are always out of tune.

Mr. Forrestall: As they stumble in their harmony just outside the chamber, so they stumble in the development of programs to overcome regional disparity.

An hon. Member: But they will rise again.

Mr. Forrestall: I doubt it. The strategy adopted by the government to control inflation has had serious and grievous consequences for Canadians in all walks of life, not least of which are those who are fortunate enough to be unemployed in a large urban centre such as Montreal. Their plight is a serious one. But their problems are not resolved at the expense of other regions in Canada. You cannot create good out of evil no matter how hard you try. This program is going to cause privation because it is going to be watered down. The program is being made ad hoc in its approach to serious problems, if we are to be at all meaningful about national unity.

Evidence of regional unemployment can hardly be used as a yardstick in this regard. As I said a moment ago, the consequences of being unemployed in Montreal are far different from being unemployed in the Atlantic provinces, be it in the urban centres or the rural areas. The 10 per cent advantage now given to the Atlantic area means absolutely nothing when viewed in terms of a market that is 300 per cent larger. It is ludicrous to think that over the course of the next 18 months any firm that hopes to make a mark on the national economy would move to the Atlantic provinces when it can get exactly the same opportunities in the markets of Montreal.

As the deputy minister himself said, this bill and its whole approach is based on political expediency. The

need for regional policies is clear, and it is the only path down which we can now travel. I hope that the premiers of the Atlantic provinces, two of them now, one not quite so new and the fourth almost a father of confederation, will direct their attention during the coming months of 1971 to this question. Without regional policies and other instruments under our control, it is eminently clear that we are not going to overcome the effects of regional economic disparity no matter how well intentioned our efforts.

This country is split badly on a number of very important and vital issues. Economic disparity will not help to heal any of these crucial problems. In particular, it will not help to resolve these problems to approach them in an atmosphere that seems to be one of subterfuge, guile, one that essentially is not honest or frank. It is time that this government addressed itself to the creation of a program that will overcome regional economic disparity. This failure to do so has been demonstrated not only to me, but to APEC and others who appeared before the committee, to editorial writers in the Atlantic provinces and to businessmen in the Atlantic provinces and in other regions designated under the old bill. The government has given an indication that they cannot be trusted with the economic destiny of Canada in the future.

Sometimes I wonder why the govenment is fearful of giving us these regional instruments that have been so often and for so long talked about. I wonder, too, about the long-range impact of such programs as, for example, the development of the Minas basin tidal power. What is going to be the reaction of businessmen if and when they are asked to make a decision with regard to the massive investment that will be required to implement the program, and they examine the records of the federal government in the matter of regional development only to find that it is, to say the least, inconsistent? During the last six or seven years we have not had a government that is prepared to address itself in a consistent manner to regional disparity. There is a problem here of fear of the unknown.

What is going to happen in 1972 when these areas have to be redesignated? What is going to happen to the Nova Scotia five year program? Where does it stand today? I have the suspicion—I do not know because no one has told me anything about this—that the program with respect to the development of metropolitan Halifax and Dartmouth has been shelved. There can only be one reaction on the part of industrialists and entrepreneurs to the lack of constancy in the attitudes, policies and programs of the federal government with particular relation to the Atlantic region.

The government thinks it has made things a little easier for us in the Maritimes. I say that is nonsense, balderdash. Unless they were a McCain, no firm would be interested in the 10 per cent differential offered in the bill. They would demand the full amount or alternatively go to the United States for funds. Who is going to come to the Atlantic provinces when a market the size of Montreal is available? Is the government prepared to change this situation if, by the end of June, 1971, there is a marked fall off of applications? It disturbed me that neither the minister nor the Parliamentary Secretary have bothered to speak on this matter, except to answer questions yesterday, in what I thought was almost an arrogant way. No one has bothered to tell companies to put in applications in order that they may be approved. No one has told the companies that their applications are in the process of being approved or that they should withdraw them and re-apply.

• (8:00 p.m.)

How generous is the government going to be if a company asks for a full grant under the terms of the amendment? The government has not bothered to answer these practical questions, let alone the more serious one I have just posed. How will we change direction if in six month's time we find we are receiving the proverbial you-know-what? What happens if we find we are being shafted? What will the government do if the worst possible thing happens in spite of the fact the minister says it will not happen?

An hon. Member: Nothing.

Mr. Forrestall: I suspect absolutely nothing will happen, as the hon. member suggests. I suspect that until the appetite of Quebec has been satisfied in this ample manner, which I find unforgiveable, we will sit in the Atlantic provinces as we have for the last seven or eight years with no assistance, help or direction. These are our fears. I think these fears are real.

If this matter comes to a vote tonight I must say to the minister that I cannot honestly indicate how I will vote because I am disturbed by the implications of the measure. I should like to believe what the minister has said, but I find this difficult in light of his comments in introducing the original bill.

Earlier today I was disturbed to the point that I intended to suggest tonight to hon. members that we should have a new minister who was not so bound up in the difficulties facing the government as this hon. minister is. It seems we should have a minister who is prepared to tell the country exactly what is wrong with the economy in all parts of our country, rather than a minister who says that all parts of the country must be assisted when they face problems. He should indicate how serious these problems are, and what the demands on our economy will be during the 1970's. We are prepared to do whatever can be done.

As long as I remain in this illustrious chamber I do not think I will ever understand the fear of the government about being honest with the people. Honesty of this type seems to be a magic elixir. I am sure the minister and the government would find the people of Canada quite prepared to pay whatever cost is necessary to assure every Canadian dignity and respect for his own worth and that of his neighbour. I am sure we would find them prepared to do whatever is necessary, without having to tear asunder well laid plans. The government must realize it does not have to overcome all the difficulties that

various regions experience. There is ample authority under other statutes to overcome the difficulties which exist in the city of Montreal without having to dilute the one measure on which the Atlantic provinces have placed so much hope.

It is unfortunate that we will leave here tonight, having approved this bill, and still not knowing what will happen in six month's time if the worst of my fears come true. I hope to God they will not, but we still do not know what will happen if we find that no applications are being made to locate in the Atlantic provinces, except from industries that cannot make a go of it in Montreal or industries which do not want to market their product in that area. It may be that we will have applications from service industries which are similar to industries already located in the Atlantic region.

I do not think we have ever suggested that the Atlantic provinces should be turned into an industrialized area. Industrialization is good, but we do not necessarily want that sort of thing. What we do want is a program on which we can place a continuing trust and confidence. We want a program on the basis of which we can plan ahead for the next four or five years. We do not want to wake up one morning and find that something we did yesterday should have been postponed until tomorrow. This is not and never has been good enough. I suggest it will never be good enough.

The political impact of what is happening will not necessarily be felt anywhere in Canada this winter, let alone in Montreal. There is no way that new industry is going to get started between now and next spring. The minister should give some assurance that something will be done in the Atlantic provinces. He has said it only takes two or three weeks to process an application, in rare cases a little bit longer. Since he made that comment, I have received a number of letters and several phone calls. I will forward this correspondence to the minister if he wishes. It relates to specific cases in which it has taken five, six, seven and even eight weeks to process applications. In these cases, at least in the opinion of the applicants, all of the information was supplied in order that the applications could be finalized. Perhaps these people have been misled, but in terms of time the procedure has taken a lot longer than the minister suggested in the committee.

Even after five or six weeks, the implementation of this bill will have very little effect in the city of Montreal. It will have a long term effect on the industrial development of the Atlantic provinces. Within a period of two or three years from the implementation of this measure, I suggest that industry will not choose to locate in the Atlantic area but will opt in favour of the city of Montreal.

I had hoped that the minister would accept our amendment proposed yesterday rather than the token amendment he did accept. It is regrettable that he did not. I hope the minister will find some way of telling the people in the Atlantic provinces, and in other designated areas, just exactly what the government intends to do if this measure fails. This will have a very direct relationship to the cutback in the number of applications and the growth we can expect.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I get the impression that the attentive capacity of hon. members is lessening. Because of the very late hour, and the fact that some Liberal members want to speak, I will try to be as brief as possible.

• (8:10 p.m.)

I had an opportunity to speak on this bill when it was first introduced last week and when it was in committee. However, I should like to summarize a few of my feelings this evening before the measure passes. First of all, Bill C-205 has now passed the committee stage. When it was before the committee we had an opportunity to hear the minister, his deputy and the witnesses who were called to appear. Then we had an opportunity to study the bill clause by clause and to hear the minister and his deputy again. During the time this bill has been studied I have been bewildered at times because there has seemed to be a lack of enthusiasm for the bill by government members.

An hon. Member: Speak for yourself.

Mr. Nystrom: For example, to my knowledge, the hon. member for Mercier (Mr. Boulanger) did not participate in the debate. The only way he has participated in the debate so far has been to interject from his seat or to speak on a point of order. I find this amazing. I feel sorry for the minister. I know he must be very unhappy about some of his backbenchers. He must feel very sad that they have neither defended his bill nor offered opinions or constructive criticism. I would not wish to be in his position and I am sure most members on this side of the House would not want to be in his position. I assume that some hon. members opposite will offer comments tonight in respect of this bill. I know the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) and the deputy whip of that party are very happy. I hope some of these hon. gentlemen will participate in the debate. Where are the government members? Why are they not participating?

I believe we all realize that the problem we are discussing is serious. The purpose of this bill is to designate a few more areas in Canada and to raise the ceiling on loans and fees. I think we all recognize that in Canada the regional problems are very acute. We know the average income in places such as Newfoundland is much lower than it is in Ontario. We know that the increase in the per capita income in Newfoundland did not rise as rapidly as it did in Ontario, despite the fact that we have a regional policy and a department which should be looking after this matter.

We realize there are regional problems all over the world and that Canada's position is not unique. We also understand that one thing that has motivated this bill at this time is the special situation in the province of Quebec. I do not deny there are special problems in the province of Quebec which must be solved if we are to keep our country together and if we want to celebrate

Canada's 200th birthday. I suggest, however, that this is a bad bill, for a number of reasons. First, the bill will create an administrative monstrosity: we will have five different types of designated areas in the country.

I think we should re-read some of the comments the minister made a year or two ago. At that time he spoke of trying to keep the regional development program and designated areas confined to certain sections of the country. He wanted to keep the program selective. He said that if it became too large, the program would negate itself. It seems to me that with the additional areas over 50 per cent of the country will be designated. This negates the government's earlier intentions and the philosophy it had when it introduced the idea of creating a new department to solve regional disparity in this country.

I am also concerned about the way in which grants are being handed out to private companies. The minister is handing out subsidies and grants to private companies as if they were going out of style. At times this is done without even considering the long-term effects and the commitments the companies may have in a particular region. From my knowledge of regional programs in other countries it would seem that when they have tried to solve problems of regional disparity the public has assumed greater responsibility, greater involvement and greater commitment. They have not tried to rely upon big companies and corporations to solve regional problems for them with public money.

Why do we have these problems of disparity and low incomes in some areas? I suggest much of the reason is that in the past we have relied entirely upon the corporate world and free enterprise to solve our problems, and as a result people in many regions of this country, not because of lack of training or skill but by reason of where they live have suffered from inequity and disparity. A company, naturally, will locate in an area where markets are close by, where transportation is convenient and cheap and where there are raw materials and resources. I suggest that if we are to properly plan our economy and eliminate much of the regional disparity and inequity which exists, the public sector must have a greater involvement than it has today; otherwise, as soon as the minister hands out grants and subsidies, many of these companies will wonder why they should remain in the area any longer.

Instead of continuing in this vicious circle, why do we not introduce to the House and the country a Canada Development Corporation? For five or six years the Liberal party has spoken of a Canada Development Corporation; it has been included in almost every Throne Speech since then. When he appeared before the committee, the minister suggested this might be one way to solve the problem of economic disparity in Canada. I believe the minister would be in favour of having a Canada Development Corporation. With his power and influence over the Prime Minister (Mr. Trudeau), which I assume must be great, I wonder why he does not try to motivate the Prime Minister toward instituting a Canada Development Corporation so that we could have a large amount of capital on hand which could be directed to areas which need it. In this way the long-term planning would be better than it is today.

It appeared to me and to witnesses who were called before the Standing Committee on Regional Development in the past few days that the government is using regional programs to fight what essentially is a cyclical problem. The government is trying to solve many of Canada's problems with regional programs instead of with general economic reform and responsibility. I believe that in order to be successful, a regional development program must be very selective. I do not see the sense in designating a city such as Montreal and having it placed in the same category as the Atlantic provinces except for the extra 10 per cent granted to the Atlantic provinces. I do not think this will help develop the Atlantic provinces or eastern Quebec. I am sure a company would settle in Montreal in preference to the Atlantic provinces, despite the extra 10 per cent. If we are to solve the problems of places such as Montreal we must endeavour to correct the general economic picture in Canada.

I am also disturbed about the statements the minister has made. Earlier today, my colleague the hon. member for Regina East (Mr. Burton) read to the House a statement made by the Minister of Finance of the province of Quebec who was concerned about some of the statements the Minister of Regional Economic Expansion (Mr. Marchand) has made about the economic state of the province of Quebec. Matters such as these are of concern to me.

• (8:20 p.m.)

For such reasons as these, I would once again plead with the minister, without going on at great length, to re-analyse and re-think this whole policy for solving regional disparities in Canada, to be less sensitive to some political pressures that may be on him to include certain regions and exclude others. I suggest to the minister that he follow the philosophy which he outlined a year or so ago when he talked about designating only certain areas, trying to build up the infrastructure, to use the growth centre idea. I appeal to the minister not to get carried away by providing huge grants to certain companies to locate in certain areas. We find today that, as a result of these amendments, a company can now, by combining both a grant and a loan guarantee, get up to 80 per cent of the total cost of locating in some areas of this country. As one hon. member said, this is too much. As a matter of fact, about a year and a half ago the minister himself was saying that if we are going to give subsidies or grants of 40 per cent or higher, we might as well be running the industry ourselves. Why not? If the Canadian people are going to take risk to that extent and invest that much money, why can we not have share in the operation and then have the chance of reaping some of the long term benefits that a company like this would provide?

I will conclude by saying that I am very concerned about the regional development plan. There are five different types of designated areas. To me, this seems like a real monstrosity. It is growing in a very unplanned way.

You have the minister jumping back and forth, not sure of what he is doing, giving out grants to all types of companies. He has become nothing more than a great, big, friendly Santa Clause on a pogo stick that has gone berserk.

I suggest to the minister that he look at the whole program once again. If he wants to keep Canada together as a country, much more than bilingualism and biculturalism will have to be involved. We will have to make every region of this country an equal partner within confederation, socially and economically. Only when we do this, can we be sure that Canada will stay together as a nation. This is why I am so concerned about the future of this department. I think that if the minister pursues problems such as unemployment today, then he will fail, and six months from now he will come back to Parliament to ask us to designate a few more areas. I think we might as well start thinking about designating the whole country because we have almost done that now. There is not much of the country left to designate, anyway. So, I suggest to the minister that many of the problems he is trying to solve should be solved through the adoption by the government of an over-all financial or economic policy rather than by a policy administered only by his department.

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, when the regional economic expansion program was first introduced, I think, if I recall correctly, most of us lauded it. It appeared to be the instrument through which the Prime Minister (Mr. Trudeau) would fulfil one half of his total election program, namely, to work toward the elimination of regional disparity. We all remember the other half of the Prime Minister's election program which was to promote and encourage a just society. The Prime Minister has since dropped this particular program. He says that the just society was a slogan. He does not like slogans now, and he threw out the just society. That was 50 per cent of his election platform. Now, with Bill, C-205 as we say down in Newfoundland, he is heavin' out the other half. I think we would do well to remember this. I do not think we can over-emphasize it. The minister himself does not deny it.

The original intention of the incentives program was, in effect, to bring the disadvantaged areas at least somewhat closer economically to the central industrialized areas of Canada. This was a special program with a specific purpose and that purpose was spelled out very clearly. As I say, we landed it. We regarded it as a fulfilment of the Prime Minister's promise and as being a serious program that could possibly solve many of our problems in the Atlantic area which everybody agreed was disadvantaged. Is it any wonder now that some members on this side of the House are left with an uneasy feeling?

The effect of this bill will be to include in the incentives area the city of Montreal and a couple of other large areas in central Canada. I have been very concerned about this throughout the week as I sat on the committee. The minister thought it proper at that time, although I do not really think he meant to do it, to come out with the old slogan "you are anti-Quebec". What kind of nonsense is this? We are not anti-Quebec. My colleagues and I feel the same way when we go to the great city of Montreal.

Mr. Marchand (Langelier): Mr. Speaker, I rise on a point of order. This is very important. I would like to know when I said that the hon. member was anti-Quebec?

Mr. Peddle: It is my understanding that this is on the record, that the minister actually accused my colleagues of being anti-Quebec.

An hon. Member: No, that is not so.

An hon. Member: That is pure mischief.

Mr. Peddle: I cannot substantiate that—

Mr. Perrault: Then take it back.

Mr. Peddle: There was one other time when the minister claimed something was not on the record when it was. I believe this statement is on the record. Anyway, I want to emphasize that the majority of people on this side of the House are not anti-anything. When we go into the great city of Montreal, we are proud that this is part of our country. When we go into Toronto, we feel the same way. When we come into this capital city, we are proud that the few of us who pay taxes in Newfoundland contribute to this. We feel that this is our country, and we resent any implication that any remarks we have to make are anti-this or anti-that. We do not like that.

In the short time that I have been in this chamber I have seen too much of the damned-if-you-do and damned-if-you-don't type of legislation which gives a great advantage to one area of the country and a few crumbs to another area. We are accused of perhaps being anti-Quebec if we vote against it, and at the same time our own constituents might blame us if we vote against the few crumbs that are in it for them. As I understand it, everybody knew there was a tremendous rate of growth in the central part of Canada and the idea of the Regional Development Incentives Act was to lure industry into the Atlantic provinces and the western parts of Canada, areas in which there had been no industrial expansion. This afternoon my colleague from St. John's East (Mr. McGrath), and several other members, said that this program had been diluted. I am disappointed with the whole program, as I am sure many others are. I do not want anybody to say that we adopt this attitude because we are anti-Quebec. That is not the case. It is simply because the program was designed as an attempt to look after the problems of particular areas of this country which were not properly developed but now, with the inclusion of these other industrial areas, I have lost the faith that I had in it.

• (8:30 p.m.)

From September 1 to November 30 of this year, .23 per cent of the jobs created by this program all across the

country went to Newfoundland, that is less than one-quarter of one per cent. Under the new program, we are told it will be possible to get 35 per cent of the capital costs of a project instead of the former 25 per cent. Looking at the figures for Newfoundland, Mr. Speaker, I am moved to ask what the difference is between 25 per cent of nothing and 35 per cent of nothing—it could be 100 per cent and still mean nothing.

A few days ago in committee the minister told us that he and his department had asked the Atlantic Provinces Economic Council to investigate why the program is not succeeding in Newfoundland. Does he seriously want them to report on this while at the same time saying, "We are now including the great industrial area of Montreal." The reason is obvious, Mr. Speaker. Any program that has the same guidelines for the industralized areas of this country as it has for Newfoundland, Prince Edward Island, and New Brunswick is not based on a firm premise. It defeats itself and contradicts itself. This is a program to combat regional disparity but the program is the same for the whole country. It has the same rates of benefit, the same amount of money payable to a potential developer for jobs created in Montreal as in the outports of Newfoundland. In its very essence, Mr. Speaker, it is foolish.

What is the problem, Mr. Speaker? The minister is not here to listen but I believe I have the answer. I believe that the minister, as well as some other ministers, is too urbanized to be in charge of a program like this.

Mr. Lundrigan: That's right.

Mr. Peddle: We have had the champagne circuit, the pigs-in-the-blanket at cocktail time, and the rose in the teeth. Mr. Speaker, I think we have to convince the ministers that there are more smells in this country than that of a rose. There are the smells of the barnyard, the fish plant, the fishing boats and all the others that make up this country.

Some hon. Members: Hear, hear!

Mr. Peddle: They are too preoccupied with the carpeted office.

In committee the other day when I asked the minister why he persisted in excluding 75 per cent of the province of Newfoundland from this incentives program, he said that all of Newfoundland was included. It is not, Mr. Speaker. The province of Newfoundland includes some 110,000 square miles of that great expanse of Labrador.

Some hon. Members: Hear, hear!

Mr. Peddle: I asked the same question when the incentives program was first introduced and I got the same answer, "We don't think there is any possibility of development up there." At the time, I thought that was fairly reasonable because other places were excluded as well. Now, I find that the city of Montreal is included, so I have to go back to my riding and explain to the people why it is excluded from a program designed to help just such areas. I have to explain why Montreal and a number of other areas are included in the regional development incentives program to help disadvantaged areas. That is going to be a very difficult task. The minister's answer is not satisfactory. He just shrugs and says, "It is north". We cannot penalize people because they live in the north.

I tried to impress upon the minister some of the things I found when I travelled this area last summer. There are no big urban areas along the coast of Labrador; there are only communities of 500 or 600 people. I saw things that were frightening, Mr. Speaker, such as 10,000 pounds of fresh salmon being returned to the sea because there was no place to store it. There was no way to process it, so it went back to the sea and nobody seemed to give a you-know-what. There are several of these areas, but the minister says they cannot be designated because there is not much possibility of expansion. We don't want chemical plants and pulp mills along the coast of Labrador. We want a paltry few thousand dollars to help those people when they go out and catch fish, so that they will not have to throw it back into the sea.

Some hon. Members: Hear, hear!

Mr. Peddle: I suggest that this minister, and some of the others, should get out of their plush offices and go into the country to ascertain the problems relating to the departments they operate. It might be a real education, Mr. Speaker. I know it has been an education for me. When was the last time the minister visited the coast of Labrador? When is the next time he is going to visit it? I invite him to come now. Furthermore, Mr. Speaker, I suggest that since the program with which the minister has been so delighted has been changed from a regional program to a national one, he will have to set up another separate scheme to look after regional problems. I plead with him to include Labrador when he does that.

• (8:40 p.m.)

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I promised my colleague for Bonaventure (Mr. Béchard) that I would talk for only about four minutes. Perhaps I will take five minutes. The hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle) mentioned that about 10,000 pounds of salmon had to be thrown back into the ocean and that should make an impact on the thinking of this House, especially when we are trying to deal with legislation such as this. As the hon. member pointed out the other day in committee when we were considering the bill, the amount that the fishermen concerned lost may not mean very much to city slickers, but it was a very considerable sum for those who had expended a lot of sweat and energy in catching the fish. What he said should not be dismissed as rhetoric. As a matter of fact, I think I will speak for about four or five minutes. I really feel keenly about this matter. If we cannot cope with problems like that, we are indeed sinking.

I now come to the main burden of my speech, and I shall keep it brief. The makeup of the committee which studied the bill dealing with the regional economic devel-

opment and expansion of this nation is different from the makeup of any other committee of the House of Commons. Most committees proceed in an orderly and quiet way. This committee, I think, is mainly noted for the fractiousness of its members. There is a reason for their fractiousness. Every member of that committee is concerned about overcoming this matter of regional disparities, and every one of them becomes terribly excited. That is because not one member of the committee can be certain whether the matter being considered will, in the end, achieve something amounting to justice for all Canadians. Perhaps that is why debates on regional economic disparities in this House and in Committees tend to be much more heated than debates on almost any other subject under the sun. I have thrown out, those remarks because they underline a philosophical thought.

I wish to make two or three points, and I will be brief. Professor Brewis appeared before the committee and told us things that I think ought to be considered by the minister and his advisers. He said:

The Bill leaves me with a feeling of considerable uneasiness. It introduces what seems to be a major reorientation of policy in the direction of measures to reduce cyclical unemployment rather than measures to improve the long-run economic potential of the less favoured regions of the country.

That is fair indictment, and all of us ought to consider it. The APEC Newsletter in my hand says that, "When everything is designated, nothing is designated." Professor Brewis puts it this way:

The proportion of the population falling within designated regions of one sort or another will be increased from ⅓ to ½. As a result the efficacy of the legislation to aid the formerly designated areas will be diluted.

For my third point, I wish to quote from the APEC Newsletter. I hope hon. members of the House realize I am trying to be brief. I am not trying to present an ordered argument. I am merely trying to put my case on record in the hope that it will deliver its punch whenever a program such as this is reviewed, as it must be, over a long period of time. The APEC Newsletter reads:

Another change in the DREE program may be more use to this region: that is extending guarantees of loans to manufacturing and larger commercial operations, including convention, hotel, office and shopping projects. This may relieve the provincial governments to some extent.

I hope that it will, Mr. Speaker. I continue to read:

On the other hand, this innovation also smacks of being hastily contrived to meet short-term needs only. Mr. Marchand should explain if assistance to commercial operations is to be a permanent feature of his program or if it, too, is to be dismantled when the immediate problems have passed.

I think the minister might try meeting that point when he speaks on third reading.

If the former, then a significant change in emphasis has taken place in DREE, the whole thrust of which has been to promote the development of secondary industry in designated areas. If secondary industry is now to be de-emphasized, relatively at least, a full and frank disclosure of DREE's reasoning should be given.

Again, Mr. Speaker, the minister will have the opportunity of meeting that point in a moment or two.

As long as uncertainty about DREE's basic philosophy of economic development remains, neither the private sector nor the provincial governments will be able to do any long-range planning.

I make these points because I think they are vital. They will have to be answered some time. Hopefully, they will be answered soon. We hope we will approve of the answers.

Finally, sir, I shall trespass on ground on which it is terribly dangerous for people to trespass. This legislation seeks to do what we have said over and over again must be done. It seeks, in part, to solve the economic problems that are bedeviling many young people in Quebec. I know this is tender ground to tread on, and I know that I am stepping over a quagmire that most people would not come near. I say that if we are spending millions or hundreds of millions of dollars in trying to solve the serious difficulties of that province, there ought to be no monkeying around with the language rights of Canadians in that province! I do not want to think that we, in this Parliament, are pouring out money that will be directed to certain people because they speak only one language or the other. We, in this Parliament, are committed to the full concept of federalism, and we are committed therefore to the concept that a person has the right to speak either one of the two official languages of Canada. Therefore, let no government say that the money can only be used to provide jobs for people who speak only one of the two official languages of Canada.

Some hon. Members: Hear, hear.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I understand that it requires 15 Senators to make up a quorum in the other place. I think, if we are really sincere in passing the best type of legislation, we should do our utmost to make sure that both Houses of Parliament consider this bill in depth. It affects the various areas of Canada. I, therefore, hope to hear right now that the members of the other place are willing to give this matter study in depth.

An hon. Member: What a hope.

Mr. Knowles (Winnipeg North Centre): The other place is asleep already.

Mr. Skoberg: I consider myself, first, to be a Canadian. My ancestors come from another country. My father, who came from Sweden, has experienced circumstances such as we are experiencing in Canada at this time. I believe that many people will be interested in reading a book that is now available in the library which deals with some economic aspects of Canada. I am referring to the book by Professor Gunnar Adler-Karlsson on the subject of reclaiming the Canadian economy. I think the minister ought to read this book, and then examine the legislation

now before the House. He ought to determine whether the amount of money being spent by the Canadian people for economic development in certain areas will benefit all Canadians, or whether some of that money will go to other countries in the form of dividends.

• (8:50 p.m.)

I will be amazed if the minister states he is not aware or is not concerned about whether the dividends we are paying in Canadian tax dollars are staying in Canada or going outside our borders. The same applies to the type of control over the tax dollars being put into this type of program. We must be concerned about whether our tax dollars being used for economic expansion are benefiting Canadians or whether they are benefiting other people who are taking over industry in this country.

Not very long ago certain areas in Canada were referred to as growth centres. I welcomed the report of the minister when he named the growth centres in Canada. The area of Moose Jaw, which I represent, was designated as a growth centre. I thought that many things would happen. I thought the minister and the department would study the situation and attempt to do something for these growth centres. We now know these growth centres mean very little to the minister and his department. Although they are studying certain situations in this country, they are not looking at the original intent of the legislation passed in this House. Assistance was to be given to these growth centres to enable them to catch up with other parts of Canada. The legislation now before us does little to enhance the position of the original growth centre concept which we thought would benefit Canada.

We were very pleased when the government accepted the motion for production of papers No. 224, dated March 10, 1970. A copy of the study of ways to implement mobility undertaken by the Department of Regional Economic Expansion in the fiscal year 1967-68, as mentioned in the answer to question No. 1323 put last session, was made available. No doubt much time could be spent studying the consultants' report. The report indicated that people migrating from rural to urban areas tend to find employment lowest in status and lowest in income.

Agriculture and fishing should be treated as an industry in the concept of this bill. Too often hon. members, particularly those in the Liberal party, refer to the fact that our rural area represents only 10 per cent of the Canadian population. If the minister were really concerned, he would realize that the farming and fishing industries in Canada are still our most important industries and should be treated accordingly. Somewhere along the line the government has forgotten this fact. They have failed to realize that if we assisted the farming and fishing industries of Canada, many of today's problems would not exist. As indicated in the consultants' report, many people are forced to leave the fishing and farming industries and move to our large cities. We should be concerned about the situation in which they then find themselves. If the minister is sincere, he will try to bring about an equitable situation for all Canadians.

[Mr. Skoberg.]

Under the program of the Department of Manpower and Immigration, the only people able to receive assistance are those employed in the receiving centres or who have obtained employment through consultation with Manpower. Many people who move to the nearest area where work is available are not covered by the Manpower program, such as farmers, fishermen and others who are self-employed.

If the rights of everyone are to be recognized on an equitable basis, the minister and departments of government must be concerned. There must be a large mobility program. There is no cohesion among departments of government with regard to introducing a program that would be of benefit to this country. I strongly urge the minister to consult other departments of government in order to establish a comprehensive program which would be of assistance to Canada. There is no use saying that a particular area of Canada will receive special benefits if the minister is not sincere.

If we are not to have undue hardship, the Department of Labour, the Department of Manpower and Immigration, the Department of Regional Economic Expansion and other government departments must work together to create employment. I am sure that enough has been said in this House to make the minister realize that a credible approach must be made to solve this problem. Nothing has been done which suggests that this government is credible in the eyes of the nation. The previous program of this government was not credible. With regard to what they are now proposing we must be suspicious about their attempt to have industry established in needy areas.

I urge the minister to bear in mind that farming and fishing are still the basic industries in Canada. If he does not accept that, he is dragging farmers away from their land and fishermen away from their nets. It will be a situation from which there will be no return.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, the chairman of the Standing Committee on Regional Development on several occasions has placed on record the position of my party. A number of hon. members have reviewed Bill C-205 in the last few hours, as well as on second reading and referral of the bill to committee on December 10. There has been a detailed explanation as to why we are unhappy with the bill. I think the Minister of Regional Economic Expansion (Mr. Marchand) understands my personal objections to the bill. There has been talk about the underlying principles of regional development. It has been stated that this bill applies to a short-term problem which is in direct contrast with the minister's philosophy. The minister contradicted his own position on a number of occasions by admitting that this bill will not have any effect on the problem in the area for which it was designed, even in the next six or seven months. As far as I am concerned he is admitting that this is a bad bill for Canada and at the same time it is no good for Montreal. That is the situation. It is a bad bill for Canada and it is no good for

Montreal either. We have talked about the loans program, and we have placed before Parliament on numerous occasions and again in committee the feelings we have had about the program. We suggested major amendments to the Regional Development Incentives Act which could have made an act which is not functioning in many parts of Canada more functional. We have suggested the use of special pieces of legislation now on the books which could help with the cyclical short-term problem in Montreal, Vancouver and other parts of Canada which are suffering from a temporary setback, perhaps as a result of the general economic situation.

• (9:00 p.m.)

We have talked about the need for more emphasis on resource incentive programs for resource development, which really means economic expansion. We have talked about the need for consultation with the provinces, with the Atlantic Provinces Economic Council and with other agencies. We have talked about the absolute need for an expanding economy, and the implications of this sort of thing for the regions of Canada which suffer in terms of disparity.

I think we have presented a most reasonable approach to the basis of our objections. At least I can speak for myself, and I would not want to implicate anybody in my own thinking, but a very reasonable approach to the reasons why this bill is not functional has been put forward: it is diluting an existing program without the added advantage of assisting the area for which it was designed. I listened to the hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle) and to a few other members who mentioned the fact that every time we touch a piece of legislation here, no matter how logical the arguments or what the motivation, there is always a tendency, perhaps inspired, for members to try to accuse the person presenting his case of being against existing areas and regions which suffer. For this reason, I shall not make any remarks about the position which has been taken by our party, or the position which has been taken by members of the other parties in the House, because that position has been well stated for the record. It will be repeated on numerous occasions in the next six or seven months. It will be read with some interest by the premiers of the Atlantic provinces, the premier of British Columbia, the premiers of the Prairie provinces and the premiers who are concerned with regional disparity in the central Canadian provinces, that is areas outside the great urban parts of Canada. I think we will agree that the position we have taken on this bill is a logical and reasonable position.

I will tell you, Mr. Speaker, the only thing I want to say tonight is that I have been here for two and a half years since the election in 1968, yet I have never seen a situation which is so regrettable as the one existing on December 18, 1970 at 9.05 in this House of Commons. Every member who has spoken in the last several hours has apologized for taking part in the debate. They have apologized for taking part in this particular debate which affects every region in Canada. The hon. member who preceded me made a beautiful statement. It was very brief. It lasted ten or fifteen minutes, but he did not feel like continuing. My hon. friend from Grand Falls-White Bay-Labrador, my hon. friends from Nova Scotia, some members of the Liberal party who hardly ever speak, all apologized for taking part in the debate here at 9.10 on December 18 just before Christmas. I have been placed in the position where my rights as a Canadian, and my rights as a representative of the people, have been jeopardized because I cannot stand here this evening with the goodwill of the members of the House of Commons and do an effective job of presenting again to the Canadian people the rational reasons for objecting to this bill.

Some hon. Members: Hear, hear.

Mr. Lundrigan: Mr. Speaker, back in the early years of the 18th Century, Alexander Pope in "The Rape of the Lock", if I recall my poetry correctly, wrote something like this:

> The hungry judges soon the sentence sign
> And wretches hang that jurymen may dine

I cannot think of a phrase which better sums up the government's procedural approach to this bill. I suppose I would be a little out of order if I said that the House of Commons, by the procedure adopted by the government, has been blackmailed. We came here on December 10, and started to debate on the referral the second reading of this important bill. It has been pushed through. I cannot understand the reason for the urgency. The minister admits the bill can have no effect. Dr. Brewis of the Atlantic Provinces Economic Council, as well as the advisers to the minister, all said the bill could have no effect in the immediate future. It is not the sort of thing which will shake the whole economy of an area in a few weeks. Regardless of whether we should designate some of the most industrialized parts of this nation, what is the reason for trying to squeeze this through before Christmas, before we can give the premiers of the various provinces, the people of Canada and those citizens who are interested in economic development, a chance to react?

The minister knows he can squeeze his bill through when the House resumes in the early part of January. Does it not make sense that we should have allowed the bill to stand, regardless of whether we agree with it or not, until the Christmas recess is over so that we would be in a position to receive constructive reaction with regard to it? Perhaps even those who agree with it would like to hear constructive reaction to it. I do not agree with the bill. I say it is bad for the country, bad for regional development and not good for Montreal. To me, this is very suspicious. I am probably offending the delicate ears of a lot of members across the way, but this is the way I feel about it. I think we should have let this stand for a couple of weeks to allow for reaction. I do not agree with amending the act to include Montreal. We

should have made a special provision for Montreal and used other legislation to assist in carrying out a temporary program. I asked the minister, if he wanted to amend the act, why did he not amend it substantially so that areas which could not at present avail themselves of its provision could do so. He admitted they were conducting an investigation in one province because they did not think it was working out, and this is the sort of thing I was hoping would be done. I do not think it is consistent to designate an area that has had a temporary setback but not to designate, say, Vancouver.

• (9:10 p.m.)

This is all I really want to say. I feel that the members of the House of Commons who want to make constructive suggestions with regard to legislation passing through this House have been placed in an awful predicament this evening, to the extent that I am unable to continue to offer detailed proposals to reinforce our arguments without feeling that I am out of order in doing so. We have not been given the chance to debate this matter in detail, and it is an issue that is fundamental and at the very root of regional development.

A lot of people are unhappy about the fact that there is in this country an increasing tendency toward government by ministerial decree. We used to take great exception to legislation by order in council. We are now getting similar powers placed in the hands of the minister. I do not distrust this minister, but perhaps one of these years he may not be in the position he is in now. This is why I think we should be given the opportunity to examine this legislation in some detail. Once the bill is passed and the legislation is in the minister's department, tied all neatly and tidily, all businesses in Canada, except perhaps for the corner store, are going to be at the mercy of the minister when it comes to questions of finance. As one hon. member said, to all intents and purposes the minister is going to be czar of economic development in this country, and perhaps this is true.

The arguments that we have presented are legitimate ones. They have been based on research done by the Atlantic Provinces Economic Council, especially Dr. Brewis. Contributions have been made by many premiers of the provinces, as well as one of the newly appointed finance ministers in the Atlantic provinces. Yet, this bill is being squeezed through. Hon. members are now allowing the bill to pass because they do not feel like pushing on any further.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: On division.

Mr. McGrath: On a point of order, Mr. Speaker, I think in all fairness the House would expect the minister to make some statement before the House votes on third reading. There has been a very earnest and serious debate. We have had a very exhaustive study of the bill in committee. The minister has heard arguments tonight from opposition members. Under normal circumstances, we would expect the minister to make some reply to the views put forward by hon. members.

[Mr. Lundrigan.]

[*Translation*]

The Acting Speaker (Mr. Laniel): Order. Before allowing the Minister of Regional Economic Expansion to make comments, if he wishes to, there should still be unanimous consent—

[*English*]

According to the rules of the House, after the minister moves the motion for third reading he is entitled to passage of the bill.

Mr. McGrath: Mr. Speaker, I am sure the House would be disposed to give unanimous consent to hearing the minister wish us a Merry Christmas and a Happy New Year, if nothing else.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I think this would result in another debate which I think is not in the best interests of this House.

[*English*]

Mr. Baldwin: We will take that as read.

The Acting Speaker (Mr. Laniel): Does the House agree that the question be taken as read?

Mr. Baldwin: I meant the minister's speech.

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

Some hon. Members: On division.

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

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, the bill we have just passed will be going to the other place.

Mr. Lewis: Are there enough of them still awake?

Mr. MacEachen: I gather there will be a wait of an hour or so before we can reassemble for royal assent, so I am wondering whether, in accordance with previous discussions, we might clear up two other items before rising until the bell summons us for royal assent.

Some hon. Members: Agreed.

Mr. MacEachen: I would call item No. 39.

FARM IMPROVEMENT, SMALL BUSINESSES AND FISHERIES IMPROVEMENT LOANS ACTS

AMENDMENT PROVIDING ADDITIONAL THREE-YEAR LOAN PERIOD

The House resumed, from Tuesday, December 1, consideration of the motion of Mr. Benson that Bill C-191, to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, there is also the Emergency Gold Mining Assistance Act. This bill has received study in committee and is now at the report stage. It would require consent to deal with it today, but I believe there have been consultations and that there is a desire to pass the bill tonight.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise merely to confirm that there have been such discussions, and if the minister would like to proceed with the bill we would give our consent.

Mr. G. W. Baldwin (Peace River): We agree.

The Acting Speaker (Mr. Laniel): Does the House agree to forgo the necessary notices and proceed with the study of the bill?

Some hon. Members: Agreed.

* * *

EMERGENCY GOLD MINING ASSISTANCE ACT

AMENDMENT EXTENDING APPLICATION TO JUNE 30, 1973

The Acting Speaker (Mr. Laniel): The hon. Minister of Energy, Mines and Resources (Mr. Greene) seconded by the President of the Privy Council (Mr. MacEachen), moves that Bill C-4, an act to amend the Emergency Gold Mining Assistance Act, as amended, be concurred in.

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, should the motion not be moved by a minister who is physically present?

Mr. Baldwin: It does not make any difference really.

Hon. H. A. Olson (for Mr. Greene) moved that Bill C-4, to amend the Emergency Gold Mining Assistance Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, be concurred in.

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

Some hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Laniel): When shall the said bill be read the third time? By leave, now?

Some hon. Members: Agreed.

Mr. Olson (for Mr. Greene) moved that the bill be read the third time and do pass.

• (9:20 p.m.)

Mr. Arnold Peters (Timiskaming): Mr. Speaker, as one representing an area which has a number of gold mines, I am pleased with the suggestions made by the Minister of Energy, Mines and Resources (Mr. Greene) about recent developments continuing emergency gold mining assistance for a 2½-year period. I am also pleased about the discussions which took place before the committee to the effect that one of the criteria for the expansion of this act beyond the 2½-year period relates to the ability of mining companies, unions and communities in mining areas to get together and arrive at an arrangement as to the extension of these payments.

Obviously, the Minister of Regional Economic Expansion (Mr. Marchand) will be involved in this matter as well as the Minister of Energy, Mines and Resources and ministers of a number of other departments, including Manpower and Immigration, the minister responsible for the retraining program. One of the justifications for these payments can be related to the fact that over half the miners working in this industry are past the age at which they can be successfully retrained. I understand 45 per cent of them are over the age of 50. If we are to be successful in this venture, a number of government departments must provide assistance and leadership to communities and industry. I hope the government in its wisdom will consider the suggestion that it should hold newly-minted gold in the Canadian treasury because of the rising price of that metal.

In talking to representatives of mining companies it is interesting to note they believe that within the next five years the industrial price of gold will be higher than the minted price. If this is true, the government should take advantage of the mark-up. In the past it has been possible to gain profits by holding gold at a price of $35 per ounce and selling it when the price went up to $41 per ounce. There is an indication from the stock market that we might find ourselves in an enviable position within a two and half year period in respect of gold. We may be able to recover much of our loss if the government has the foresight to hold newly minted gold at $35 per ounce and sell it to the United States market at the increased price.

This is probably the fifth time I have participated in a debate on the extension of the Emergency Gold Mining Assistance Act. We have never been able to remove the word "emergency" but it is interesting to note that we have been able to reduce the number of mines requiring

assistance under this act from approximately 100 to about 18 or 19, or even fewer as projected for 1973.

We have not been successful in solving the problems facing our mining communities. We have been able to do something about the industry. Obviously, these community problems will be solved by the natural course of events. The government has conducted interdepartmental studies. Representatives of mining companies have participated in these studies. I understand they were very frank in making disclosures regarding reserves. The communities have been very frank in respect of capital expenditures and potential development. The government should give leadership to these communities.

It is unfortunate the hon. member for Timmins (Mr. Roy) is not here to speak for his riding. His riding and the riding of Timiskaming, which includes Timmins and Kirkland Lake, have developed with the support of the gold mining industry. Considerable capital investment is involved there and this capital investment could be of great value to other industries which might be established in these areas. These communities have been unable to offer industrial incentives required to attract new industry. I hope the government will accept the responsibility of finding ways to attract this industry so that after the 2½-year period we will be able to look back and say that these years were productive. I express the hope that we will not have to ask for an extension of the act after this period but will have a measure of much more permanent nature.

Mr. MacEachen: Mr. Speaker, I rise to suggest now we move to the next stage of our proceedings. I should like, first of all, to thank my colleagues—

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, is the minister speaking on this bill?

Mr. MacEachen: I am sorry, Mr. Speaker; I understood the bill had received third reading, but apparently I was wrong.

The Acting Speaker (Mr. Laniel): Order, please. Does the House agree to third reading of this bill?

Some hon. Members: Agreed.

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

Mr. MacEachen: Mr. Speaker, before we move to the next stage of our proceedings I wish to take the opportunity—this may be my last opportunity before the recess—to thank opposition House leaders, the hon. member for Peace River (Mr. Baldwin), the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Lotbinière (Mr. Fortin) for the co-operation they have extended during this part of the session. We are ending the session in an atmosphere free of confrontation. The progress we have made this week in our legislative program is the result of the co-operative and conslutative atmosphere which has prevailed in our relationships. I am very grateful for that. I should like, also, to extend to hon. members my best wishes for a Merry Christmas as they leave for what I hope will be a pleasant respite from their labours. They well deserve this period of rest until January 11.

Mr. Bell: Mr. Speaker, in the festive spirit I should like briefly to acknowledge the fact that a new chief government whip has been appointed. I am sure all members wish him every success in his endeavour to bring peace and good will to this House of Commons.

Mr. MacEachen: Mr. Speaker, I suggest we might rise until the call of the bell.

• (9:30 p.m.)

Mr. Speaker: Order, please. Perhaps it might be agreeable to hon. members, since we are to rise until called back by the bell, to join the Speaker and the officers of the House as well as some of our distinguished colleagues from the Press Gallery, in Room 16 to fraternize in the true spirit of Christmas.

SITTING SUSPENDED

At 9.35 p.m. the sitting was suspended.

SITTING RESUMED

The House resumed at 11.15 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that I have received the following communication:

December 19, 1970

Sir:

I have the honour to inform you that the Honourable Gérald Fauteux, P.C., Chief Justice of Canada, in his capacity as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today at 11.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Louis-Frémont Trudeau,
Brigadier General
Assistant Secretary to the Governor General

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

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

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

• (11:40 p.m.)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General has been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1971.

An Act to amend the Anti-dumping Act

An Act to establish the Tax Review Board to make certain amendments to other Acts in relation thereto

An Act respecting grain

An Act respecting cooperative associations

An Act respecting the Buffalo and Fort Erie Public Bridge Company

An Act to amend the Merchant Seamen Compensation Act and to amend an Act to amend the Merchant Seamen Compensation Act

An Act to amend the Old Age Secuirty Act

An Act to amend the Regional Development Incentives Act

Mr. Speaker: As hon. members leave the House of Commons for a well deserved and richly earned holiday, may I, in the name of my wife and personally, wish you all a very Merry Christmas with your families and wish you a happy healthy and prosperous New Year.

Some hon. Members: Hear, hear.

Mr. Speaker: The Minister of Public Works (Mr. Laing) seconded by the hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle), moves that this House do now adjourn. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

At 11.49 p.m. the House adjourned, pursuant to Special Order, until two o'clock on Monday, January 11, 1971.

APPENDIX

PROMULGATION OF FISHERIES CLOSING LINES

With the adoption of the amendments to the Territorial Sea and Fishing Zones Act earlier this year Parliament laid the foundation for the establishment of exclusive Canadian fishing zones comprising certain areas of the sea adjacent to the coast of Canada. As explained to the House on April 17, these provisions were enabling only and the creation of the new zones required executive action by way of an Order in Council. The required action is now being taken to draw "fisheries closing lines" across the entrances to the Gulf of St. Lawrence, the Bay of Fundy, Queen Charlotte Sound and Dixon Entrance-Hecate Strait. A Government Notice to this effect will be published in the *Canada Gazette* on December 26. The fisheries closing lines will then be brought into force immediately upon the expiration of the mandatory 60-day waiting period imposed by the amended Territorial Sea and Fishing Zones Act.

There are special geographic and legal factors pertaining to the areas affected by the Government's action, and Canada has historic and other claims to these areas. The establishment of exclusive fishing zones in the bodies of water under reference, as has been made clear on previous occasions, can in no way be construed as an abandonment of those claims by Canada. It is also well known that the new fishing zones we are creating are of vital importance to Canadian fishing interests. The Gulf of St. Lawrence alone has had landings of up to 550 million pounds valued at some $31 million, the Bay of Fundy's landings of 300 million pounds are worth $12 million, while the Pacific coast area contained within Dixon Entrance and Queen Charlotte Sound has landings of 180 million pounds, worth $37 million a year.

These are, of course, important considerations, but the Government objectives in introducing this imaginative concept of fisheries closing lines go beyond the securing of immediate economic benefits, as was outlined by the Secretary of State for External Affairs in his statement to the House of April 17. On that occasion, he pointed out that:

"Now that the world is becoming aware that living resources are not infinitely renewable and that they can indeed be exhausted or depleted by overexploitation or wiped out by means of pollution of the sea, it is vitally necessary to apply to the exploitation of these resources some of the techniques which have been developed for offshore mineral resources. The action now being taken by Canada is a step in this direction, a step toward a more logical and systematic approach to the management of living marine resources.

Exclusive rights to harvest may be necessary, but they are not an end in themselves. The end we have in mind is conservation and rational management, and for this purpose we require jurisdiction. That jurisdiction, however, does not rule out the possibility of sharing fisheries exploitation with other countries; it does, however, allow us to set rules for that exploitation, to impose licensing requirements if necessary and thus to share the financial burden of conservation as well as the financial rewards of exploitation."

The fisheries closing lines being promulgated by the Government represent a very important step forward in the conservation and protection of Canada's coastal fisheries. It must be recognized, however, that there is also a need for international as well as national action if we are to preserve the marine environment and its living resources for future generations. For this reason the Government has been consulting with other interested countries for more than two years with respect to the convening of a Law of the Sea conference which would deal effectively with these problems.

The possibility of convening such a conference has been under discussion in the current session of the United Nations General Assembly and the Assembly has now resolved that a conference should be held in 1973. It is Canada's hope that there will emerge from that conference a rational system of fisheries conservation, management and exploitation in the common interest of all countries, including a clear recognition of the special rights and responsibilities of coastal states with respect to the living resources of the sea, and particularly the protection of the Atlantic and Pacific salmon stocks which are being maintained at considerable cost by the efforts of coastal states such as Canada and the USA.

In addition, it is Canada's view that the United Nations Conference on the Human Environment to be convened in Stockholm in June of 1972 will offer an important and indeed crucial opportunity for the international community to adopt a bold and constructive approach to the preservation of the marine environment. The living resources of the sea are the greatest wealth of the sea, and it is those resources, of course, which are most directly threatened by marine pollution. The Stockholm Conference, we hope, will include among its achievements the laying of a foundation for a global attack on marine pollution, including the work on this problem which we hope will be undertaken at the proposed conference on the Law of the Sea.

Having established the new fishing zones, the Government intends to conclude negotiations for the phasing out of the fishing activities of certain countries which have traditionally fished in the areas concerned, namely the United Kingdom, Denmark, France, Italy, Norway, Portugal and Spain. Canada has recently entered into an agreement on reciprocal fishing privileges with the

U.S.A. and the activities of United States fishermen in the areas concerned will not be affected by the promulgation of our fisheries closing lines. There are as well other treaty arrangements with the United States and also France off Canada's east coast, and similarly the rights accruing under these treaties will be respected.

There may be differences of views as to whether or not a phasing-out period should be granted for countries which have carried on traditional fishing practices in areas over which a coastal state has established fisheries jurisdiction, as we are now doing in Canada's special bodies of water. There can, however, be no such differences of views with respect to areas which have become part of Canada's 12-mile territorial sea.

The extension of Canada's territorial sea to 12 miles and the establishment of exclusive Canadian fishing zones in the special bodies of water will permit us to conclude expeditiously the negotiations begun in 1964 following the passage of the Territorial Seas and Fishing Zones Act.

END OF VOLUME II